MONITORING CANADA'S ACCOMMODATION INDUSTRY DURING A CHALLENGING YEAR – 2003

THE IMPACTS OF THE IRAQ WAR and SARS

Report #3
QUARTER 3 2003 RESULTS

Prepared For:

Ontario Ministry of Tourism and Recreation and
Canadian Tourism Commission

Prepared by:

PKF CONSULTING

December 2003

PKF Consulting

St. Patrick Tower
30 St. Patrick Street
8th Floor
Toronto, Ontario
M5T 3A3
Tel: (416) 360-5000
Fax: (416) 777-1567
pkftoronto@pkfcanada.com
Website: www.pkfcanada.com

December 8, 2003

Mr. Alex Athanassakos
Ontario Tourism
700 Bay Street
15th Floor
Tourism Branch
Toronto, Ontario
M7A 2E1

Mr. Scott Meis, Director, Research
Canadian Tourism Commission
235 Queen Street
4th Floor
East Tower
Ottawa, Ontario
K1A 0H6

RE: THE IMPACTS OF THE IRAQ WAR and SARS ON CANADA'S ACCOMMODATION INDUSTRY – QUARTER 3 2003 RESULTS

In accordance with the terms of engagement, PKF Consulting is pleased to present the results of our analysis of the impacts of the Iraq War and SARS on the accommodation industry in Canada, during the 3rd Quarter of 2003. This report is the **third** in a series of quarterly reports, as we continue to monitor Canada's accommodation industry throughout this challenging year.

The Canadian accommodation industry was off to a good start in 2003, exceeding 2002 Quarter 1 room revenue by 3.4%. Shortly into the second quarter, the industry was devastated by the outbreak of SARS costing the industry an estimated $320 Million in lost room revenue in the 2nd Quarter alone. Being the peak travel season for many Canadian markets, Quarter 3 was almost as devastating as Quarter 2 with a $287 Million year over year decline in room revenue. Fortunately, the trend is looking favourable for the Canadian tourism industry with September demand for accommodation down 4% compared to the low of 11% in April. Room revenue is also improving (down 6% in September compared to the low of 15% in June) though not at the same pace as demand because of room rate discounting in many markets. Nationally 3rd Quarter demand was off by 6.4%, dragging room revenue down by 10% over the summer months.

We appreciate this opportunity to provide our services in this ongoing analysis. Should you have any questions regarding the preceding analysis, please do not hesitate to contact us at your convenience.

Yours very truly,

PKF Consulting

PKF CONSULTING

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EXECUTIVE SUMMARY

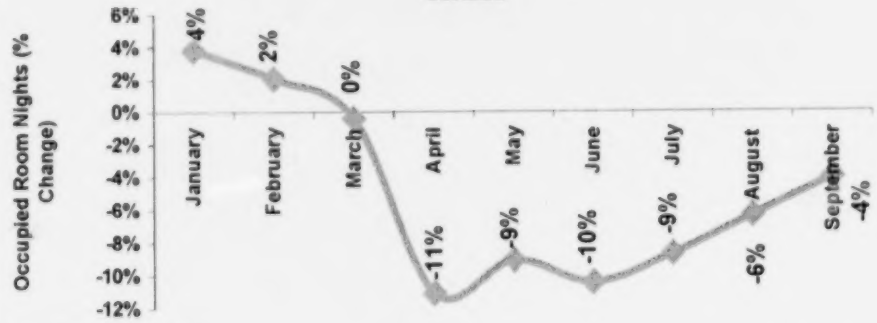
MEASURING THE IMPACTS OF THE IRAQ WAR AND SARS ON CANADA'S ACCOMMODATION INDUSTRY – QUARTER 3 RESULTS

Prior to the onset of SARS (Severe Acute Respiratory Syndrome), there were differing opinions as to where the accommodation industry in Canada was headed. Most had expected a recovery in 2002 that never materialized and generally speaking the industry was approaching 2003 with guarded optimism. In late March, the Ontario Ministry of Tourism & Recreation and the Canadian Tourism Commission retained PKF Consulting to monitor the impact of the then impending war in Iraq on the Canadian Accommodation Industry. Shortly thereafter, the study was broadened to include the impact of the SARS crisis, which today dominates the ongoing study.

3.2 Million Room Nights Lost in the 2nd and 3rd Quarter Across Canada

While the Canadian accommodation industry started the year off well, posting a 2.6% increase in overnight demand in January and February 2003, demand levels started slipping by 1% in March, and thereafter fell sharply by 11% in April, and a further 9 to 10% per month in May, June and July, before seeing some recovery in August and September. April results posted a shortfall of over 662,000 occupied room nights, with May results almost as equally devastating with over 590,000 room nights lost, before the damage accelerated with the onset of Canada's peak summer travel months. June and July posted losses of 732,000 and 652,000 occupied room nights, respectively, with the situation improving somewhat in August, which recorded 507,000 lost room nights and September, which reported 281,000 room nights lost. In all since March, the industry has suffered a total deficit of over 3.2 Million room nights in comparison to last year's performance.

Exhibit 1: Accommodation Demand % Change (2003 over 2002)
Canada

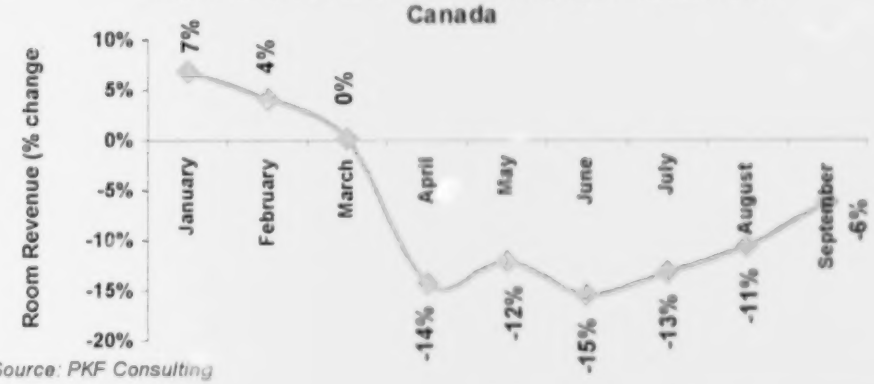


Source: PKF Consulting

Quarter 3 Rooms Revenue Down by $287 Million Across Canada

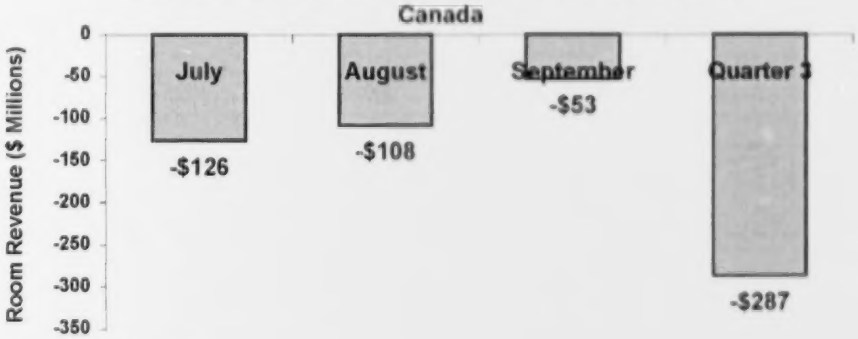
During the month of April, with the onset of SARS and the lingering effects of the Iraq War, Canada as a whole lost $92 Million in room revenue in comparison to last year. Faced with a travel advisory and a second wave of the SARS outbreak in May, the industry endured a further attrition of $90 Million in room revenue. Already in distress, accommodation providers suffered an additional $136 Million year-over-year decline in the month of June. Over the course of the summer months, Canada's accommodation industry as a whole, lost $126 Million in room revenues in July, $108 Million in August and $53 Million in September, bringing Quarter 3 losses to $287 Million – 90% of the losses already endured in Quarter 2. Accounting for the other on-site ancillary sources of revenue generated by the accommodation sector, Canada's combined accommodation revenue loss year-to-date is estimated at $932 Million.

Exhibit 2: Room Revenue % Change (2003 over 2002)
Canada

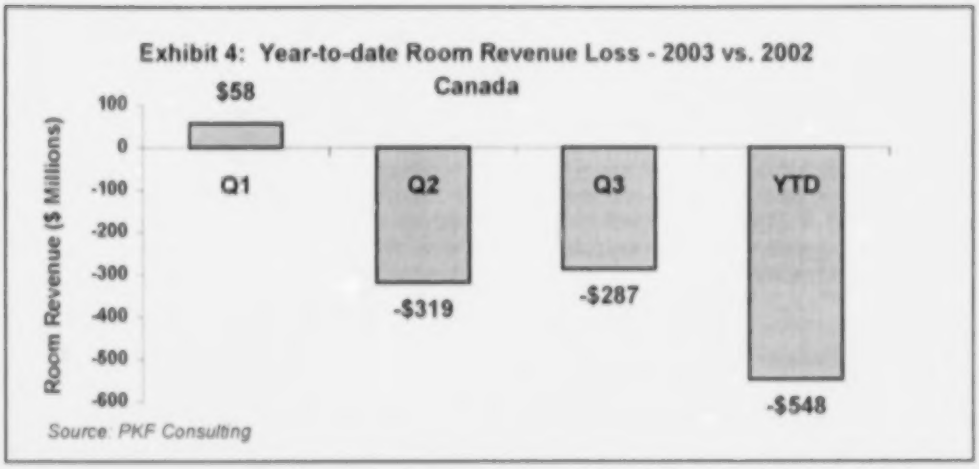


Source: PKF Consulting

Exhibit 3: Quarter 3 Room Revenue Loss - 2003 vs. 2002
Canada



Source: PKF Consulting



Ontario Suffers Lion's Share of Impacts – Q2 and Q3 Loss of $339 Million in Rooms Revenue -- 56% of the National Loss to date

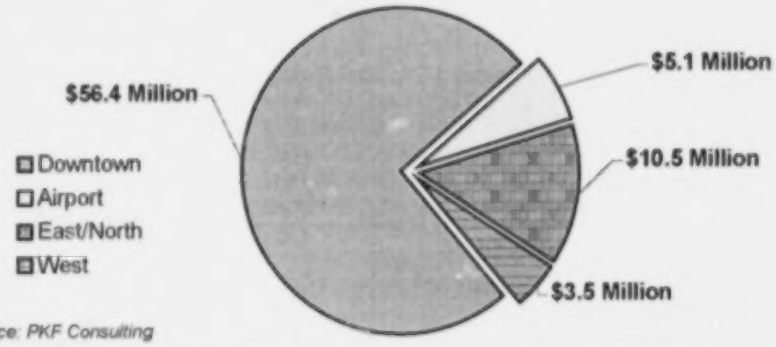
Demand for Ontario's hotels was up by almost 205,000 room nights or 4% in Quarter 1, 2003, before taking a sharp turn in the other direction and reporting a loss of over 1 Million room nights in Quarter 2 followed by a further attrition of 668,000 room nights in Quarter 3. This represents a $339 Million decline in room revenue during Quarters 2 & 3 or 56% of the national loss. Ontario's hotel occupancy during Quarter 3 this year was 65% -- 8 points below last year's Q3 occupancy of 72%. Ontario's average daily rate also eroded by $11 in Quarter 3, from $125 last year, to $114 this year.

Greater Toronto Area Continues to be the Most Distressed Market-- $75 Million in Rooms Revenue Lost in Quarter 3, $56 Million Amongst Downtown Toronto Hotels

Hotel demand in the Greater Toronto Area was up by approximately 85,000 room nights during the first quarter of 2003, or 4.8%, before the phone starting ringing in April with cancellations and stopped ringing for future bookings. During Quarter 2 the GTA hotel industry lost an estimated 592,000 occupied room nights, representing over $111 Million in room revenue. While not as devastating as the previous quarter, Quarter 3 results showed a further loss of 282,000 room nights, equating to a deficit of $75 Million in room revenue compared to the same quarter last year.

Of the $75 Million in room revenue lost across the GTA, $56.4 Million was amongst Toronto's downtown hotels -- 75¢ of every dollar lost in the GTA. Downtown Toronto occupancy levels, which reached 80% last year, dropped to a low of 58% in July and on average was 66% for the quarter this year compared to an average of 77% for the same period in 2002. Toronto downtown hotels also lost rate integrity, with last year's ADR at $173 in Quarter 3, falling to $143 in Quarter 3 of this year.

Exhibit 5: Third Quarter 2003 Room Revenue Loss ($75.5 Million)
Greater Toronto Area



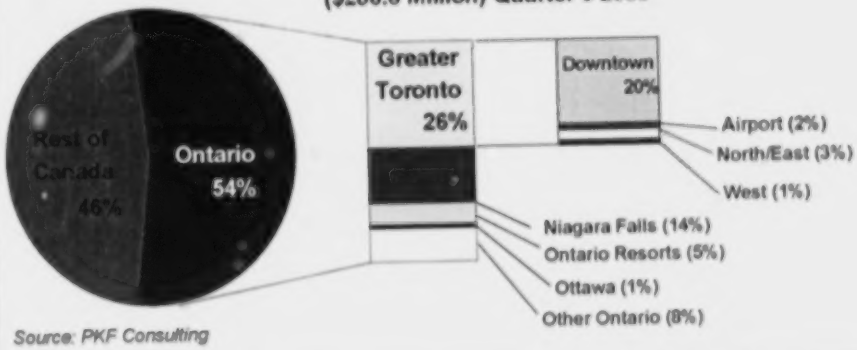
Source: PKF Consulting

Impacts Have Spread to Other Ontario Markets

Although downtown Toronto hotels were the hardest hit in Quarter 3, the impact of SARS and to a lesser extent the economic conditions, has had a rippling effect across Ontario's other major markets. In particular:

- Ontario Resorts lost over $15 Million in rooms revenue during Quarter 3 – 61,000 fewer occupied room nights than the same period last year;
- Niagara Falls lost 122,000 occupied room nights, which is close to $39 Million in rooms revenue;
- Toronto Airport hotels were off by $5.8 Million in rooms revenue, which is 32,000 less occupied room nights than last year;
- Toronto East/North properties were down by over 60,000 occupied room nights, representing $10.5 Million in lost rooms revenue;
- Windsor hotels reported room revenue losses of nearly $1.5 Million, which represents a shortfall of 7,400 in occupied room nights compared to last year's Quarter 3; and
- Ottawa's July revenue gain of $400,000 was not enough to offset losses in August and September bringing total Quarter 3 losses to nearly $3 Million compared to 2002.

Exhibit 6: Ontario's Share of National Room Revenue Loss ($286.6 Million) Quarter 3 2003



Source: PKF Consulting

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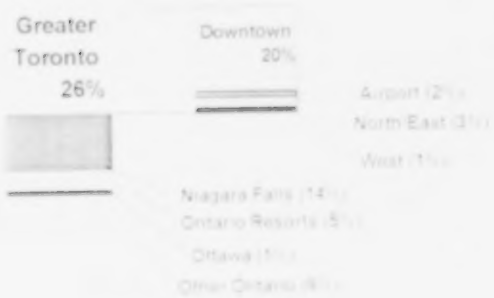


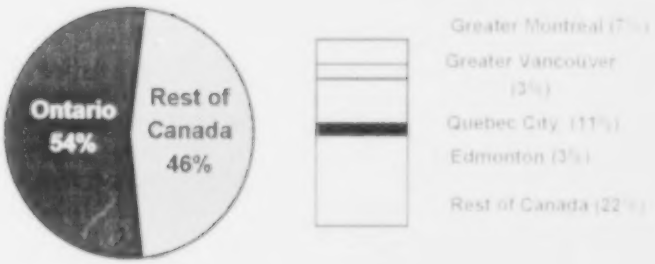
Source: HVS Consulting

Impacts Also Felt Across Other Canadian Markets

Nationally, of the $286.6 Million in lost rooms revenue in Quarter 3, 46% has been in markets outside of Ontario. Specifically:

- Greater Montreal hotels reported a loss of 113,000 occupied room nights in Quarter 3, representing over $19 Million in rooms revenue.
- Greater Vancouver Vlas only down by 5,000 occupied room nights during Quarter 3 but still lost an estimated $10 Million in rooms revenue due to a 6% decline in average rate.
- Quebec City was down by 131,000 occupied room nights, equating to a loss of over $32 Million in rooms revenue.
- Calgary hotels and Alberta Resorts [illegible] a loss of approximately 24,000 and 95,000 occupied room nights per market respectively, equating to a room revenue loss of $4.2 Million for Calgary and $34.[illegible] Million for Alberta Resorts, and
- Although the Edmonton hotel market was off by 120,000 occupied room nights in Quarter 3 (a loss of $8.0 Million in rooms revenue), this decline was largely attributable to the conclusion of the 2001/02 phase of the Shell Athabasca project which resulted in a strong 2002 industry performance.

Exhibit 7: Other Major Market's Share of National Room Revenue Loss ($286.6 Million) Quarter 3 2003



Source: PKF Consulting

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Nationally, of the $286.6 Million in lost rooms revenue in Quarter 3, 46% has been in markets outside of Ontario. Specifically,

- Greater Montreal hotels reported a loss of 113,000 occupied room nights in Quarter 3, representing over $19 Million in rooms revenue;
- Greater Vancouver was only down by 3,500 occupied room nights during Quarter 3 but still lost an estimated $10 Million in rooms revenue due to a 5% decline in average rate;
- Quebec City was down by 121,000 occupied room nights, equating to a loss of over $32 Million in rooms revenue;
- Calgary hotels and Alberta Resorts reported a loss of approximately 24,000 and 95,000 occupied room nights per market respectively, equating to a room revenue loss of $4.3 Million for Calgary and $34.0 Million for Alberta Resorts; and
- Although the Edmonton hotel market was off by 126,000 occupied room nights in Quarter 3 (a loss of $8.5 Million in rooms revenue), this decline was largely attributable to the conclusion of the 2001/02 phase of the Shell Athabasca project which resulted in a strong 2002 industry performance.

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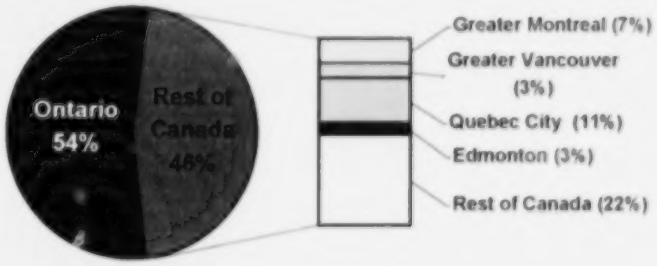
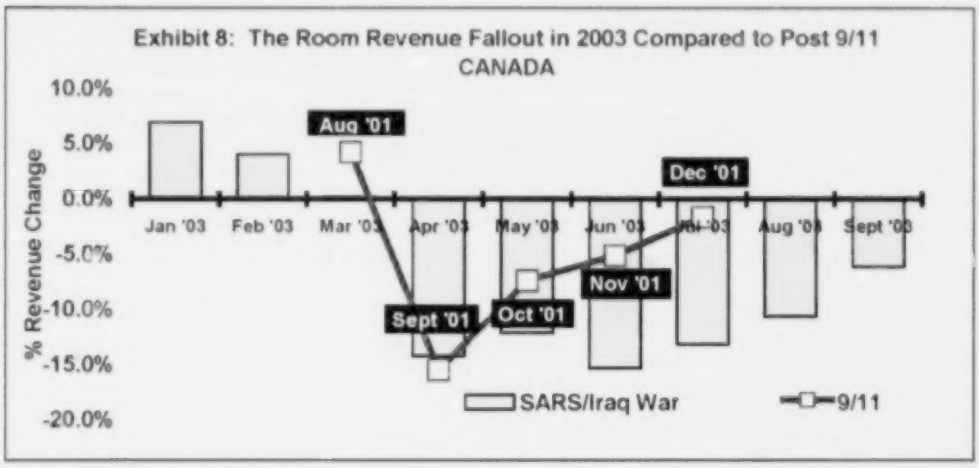


Source: PKF Consulting

9/11 vs. SARS

By comparing the impacts of 9/11 on Canada's accommodation industry with the outbreak of SARS and the Iraq conflict, we see that the industry impacts were felt in a very different manner. First losses associated with 9/11 were concentrated in the month of September, which realized 51% of the total room nights lost due to this event. Each month thereafter the losses were cut in half and by December 2001, direct losses associated with 9/11 were negligible. The losses conversely associated with the SARS Outbreak escalated with the approach of Canada's peak tourism season. The greatest impacts were realized in the month of June as markets dependent on international tour group business and meeting/convention demand were faced with insurmountable losses. Unfortunately, the fact that the SARS Outbreak began to impact the industry as the peak season approached magnified the absolute room night and dollar losses.



Secondly, the impact of SARS was concentrated in Ontario and more specifically in the GTA market. The impacts of 9/11 were more evenly spread throughout the country with about 40% of the loss realized in Ontario and 22% in the Greater Toronto Area. Conversely, over half of the impacts resulting from SARS were in the Province of Ontario and over one-third in the GTA.

Overall the Canadian accommodation industry suffered a **loss of over 2 million occupied room nights at an estimated value of $350 million – post 9/11**. In comparison, **SARS and the events of 2003, have caused the industry a total deficit of over 3.4 Million occupied room nights in Quarters 2 and 3, equating to an estimated $605 Million in lost room revenue.**

Positive Trend Expected to Continue over the Winter Months

With the conclusion of the peak leisure travel season in most of Canada's tourist destinations and the positive trend in major market fill rates, it is expected that the upward demand trend will continue. Preliminary numbers for the month of October indicate that National demand was off by a mere 0.3% or 20,000 occupied room nights compared to 2002.

1.0 INTRODUCTION

1.1 ON THE HEELS OF 9/11... IRAQ WAR, SARS & BSE

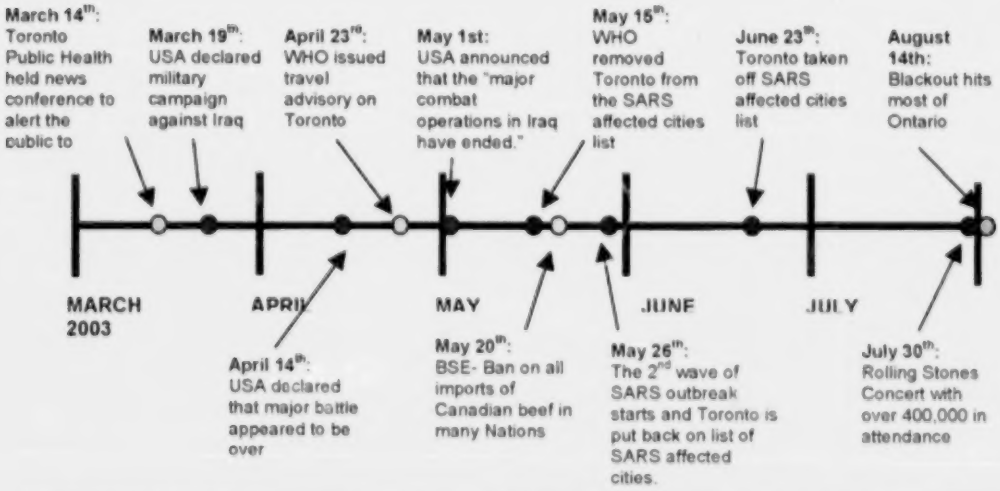
Canada's tourism industry has been severely impacted by both the Iraq War and the outbreak of Severe Acute Respiratory Syndrome (SARS) in the first nine months of 2003. With rumblings surrounding the impending war in Iraq first stirring in Quarter 3 of 2002, the US led war against officially began on Wednesday March 19th when President George W. Bush declared a military campaign against Iraq. After several weeks of battling and while some fighting was still going on, the United States of America had declared on April 14th that the major battle appeared to be over. However, it was not until May 1st that President Bush announced that the "major combat operations in Iraq have ended."

Just when Canadians thought the country's economy would improve with the Iraq War concluded, the outbreak of Severe Acute Respiratory Syndrome (SARS), a respiratory illness with pneumonia-like symptoms once again threatened the Canadian tourism industry.

On March 14th, Toronto Public Health held its first news conference to alert the public to this fatal epidemic after the first SARS patient died on March 13th at Toronto's Scarborough Grace Hospital. This in turn set off a chain reaction within Toronto and the City was quickly issued a travel advisory on April 23rd from the World Health Organization (WHO) for non-essential travel. Due to intense lobbying efforts on behalf of the municipal, provincial and federal governments, the travel advisory on Toronto was lifted on April 30th and the City was removed from the list of SARS affected cities on May 15th after the disease was thought to be under control. However, Toronto hospitals efforts to curb any further transmission of the disease were unsuccessful and a second wave of SARS outbreak surfaced on May 22nd. Toronto was once again put back on the list of affected areas on May 26th and was subsequently taken off on June 23, 2003.

Further compounding an already devastating situation for Canada's hospitality industry, one lone case of BSE in Alberta (Mad Cow disease) was confirmed by the World Reference Laboratory on May 20, 2003, and within hours a ban on all imports of Canadian beef was announced.

These recent events have had an immediate and devastating impact on Canada's accommodation industry – impacts which have not only been felt in the Greater Toronto Area, but have crippled the tourism industry and economy across the country.



1.2 MEASURING THE IMPACTS – PKF ANALYSIS

In March 2003, PKF Consulting was retained by the Ontario Ministry of Tourism and Recreation and the Canadian Tourism Commission to analyze the impacts of these recent and ongoing events on Canada's accommodation industry. Similar to the analysis that was undertaken immediately following the tragic events of 9/11, PKF Consulting contacted our "Trends" participants as part of a series of 4 surveys, which will take place over the balance of 2003.

The first report dated May 30, 2003 provides an analysis of the first Quarter, while the second report and the subject report provides an analysis of Quarters 2 and 3 – the Quarters, which experienced the majority of the SARS impact.

1.2.1 Quarter 3 Survey of Accommodation Operators

During the month of October and early November 2003, PKF Consulting undertook a 3rd survey of accommodation operators in Canada's major markets through our PKF *Trends in the Hotel Industry National Market Report* participants.[1] This survey was a follow-up to the initial survey issued in April and May 2003 and the 2nd survey undertaken in June and July 2003.

As the third in a series of 4 surveys to be implemented over the course of the year, the Quarter 3 2003 survey asked the following questions:

PART 1 QUARTER 4 BOOKING PACE AND Q4 CANCELLATIONS

Accommodation Booking Pace for Quarter 4

1. As of September 30, 2003, what were your confirmed bookings by month for October, November and December 2003, as of September 30th?

Room Cancellations as at September 30, 2003

2. As of September 30, 2003, has your property experienced any cancellations for Quarters 4 due to Geopolitical reasons, SARS Fallout, West Nile Virus, BC Fires or Other Reasons?

PART 2 ABOUT YOUR 2003 QUARTER 3 RESULTS

Reasons for Quarter 3 2003 Changes in Demand

3. a) *Relative to your 2002 Quarter 3 actuals*, did your property experience a growth in demand or loss in demand in your actual 2003 Quarter 3 results?

   What % of this growth or decline in demand, do you feel was attributable to:
   - National/Provincial Economic Conditions
   - Local/Regional Economic Conditions
   - Increased Supply Competition
   - Geopolitical Reasons (Iraq War, Residual 9/11, etc)
   - Fears/Impacts Associated with SARS
   - Fears/Impacts Associated with West Nile Virus
   - Fears/Impacts Associated with BC Fires
   - Other Reasons, Please specify

[1] *Trends in the Canadian Hotel Industry, National Market Report* is compiled and produced by PKF Consulting on a monthly basis. This Canadian proprietary database presents occupancy, average daily rate and revenue per available room statistics for 93 geographic regions/markets across Canada, based on the operating results of 176,000 rooms.

Changes to Quarter 3 2003 Market Segmentation

3. b) What % of this change in demand, do you feel has been attributable to the following market segments
   - Business Travel
   - Independent Leisure Travel
   - Group Leisure Travel
   - Meetings/Convention Travel
   - Government Travel
   - Other Segments

Changes to Quarter 3 2003 Origin Segmentation

3. c) What % of this change in demand, do you feel has been attributable to the following origin segments
   - Domestic Travel
   - US Travel
   - Overseas Travel

Changes to Primary Mode of Transportation in Quarter 3 2003

4. What are the primary modes of transportation used by your hotel guests in arriving at their destination?
   - Air
   - Automobile
   - Motorcoach
   - Other

   What changes, if any, have you noticed in your guests travel patterns in 2003, as compared to last year?

A total of 148 operators, representing 37,233 rooms responded to our Quarter 3 Survey. The survey responses represent 21% of PKF's *Trends* participants or 11% of Canada's overall accommodation inventory.

Exhibit 2: Major Markets Surveyed in Quarter 3

	Survey Response (Rooms)	% Total Rooms Inventory*
Halifax Dartmouth	1,122	24%
Quebec City	1,308	12%
Greater Montreal	2,996	17%
Montreal Downtown		
Montreal Airport		
Ottawa	1,468	14%
Greater Toronto	11,002	38%
Toronto Downtown		
Toronto Airport		
GTA East/North		
GTA West	Insufficient response to report indiv.	
Windsor	248	9%
Ontario Resorts	1,252	8%
Regina / Saskatoon	984	13%
Calgary	1,599	14%
Edmonton	1,588	14%
Alberta Resorts	2,028	19%
Greater Vancouver	3,352	19%
Vancouver Downtown		
Vancouver Airport		
Vancouver Other	Insufficient response to report indiv.	
Other Markets	7,655	
TOTAL	**37,233**	**11%**

Changes to Quarter 3 2003 Market Segmentation

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   - Business Travel
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Other Markets	7,655	
TOTAL	**37,233**	**11%**

1.2.2 Development of National Impact Model

The reader is referred to our *Quarter 1 Report*, dated May 30, 2003 for an explanation of PKF's **National Impact Model,** which has been utilized to measure the actual performance of the accommodation industry during the January to December 2002 period, against actual and forecasted results by month for 2003. The Impact Model has been applied to each of the provincial, regional, city and sub-markets tracked in our Monthly *Trends* Report (53 markets).

1.3 NATIONAL ACCOMMODATION SUPPLY

Based on the accommodation inventories supplied to PKF by each of the provinces, together with our knowledge of supply additions in the Canadian market, Canada had an estimated supply of 330,248 rooms in Quarter 3 2002 (including only full-year properties of 30+ rooms in size). By Quarter 3 2003, this supply base increased by 1.0%, to an estimated annualized inventory of 333,428 rooms. Table 3 below provides the averaged room supply inventory by province, during Quarter 3 2002 and 2003.

Exhibit 3
Rooms Supply Inventory, by Province (Averaged)
QUARTER 3 2002 and 2003

Province	Q 3 2002	Q3 2003	% Change
Newfoundland	3,851	3,903	1.4%
PEI	2,715	2,715	0.0%
Nova Scotia	10,238	10,288	0.5%
New Brunswick	7,657	7,780	1.6%
Quebec	56,540	56,620	0.1%
Ontario	106,592	107,888	1.2%
Manitoba	10,455	10,633	1.7%
Saskatchewan	11,033	11,153	1.1%
Alberta	50,588	51,259	1.3%
British Columbia	68,582	69,330	1.1%
Yukon	1,950	1,950	0.0%
NATIONAL	**330,248**	**333,428**	**1.0%**

Source: Provincial Tourism Departments, PKF Consulting and Hotel Association of Canada
Inventory prepared by KPMG

2.0 NATIONAL PERFORMANCE OF CANADA'S ACCOMMODATION INDUSTRY – Third Quarter 2003

2.1 NATIONAL RESULTS – 3rd Quarter 2003

Hotel Supply Inventory

- Canada's accommodation inventory averaged 333,428 rooms in Quarter 3 2003 – a 1.0% increase in supply with the addition of 3,180 rooms since Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, Canada's hotel market achieved a 69% occupancy at an average daily rate of $121. Occupancy levels were down 5 points compared to Quarter 3 of last year, with the average daily rate also down by approximately $5.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Atlantic Canada	80%	$114	83%	$112	-2.3%	2.0%
Quebec	71%	$139	79%	$143	-9.8%	-3.0%
Ontario	65%	$114	72%	$125	-9.4%	-8.7%
Manitoba	64%	$89	64%	$90	1.9%	0.9%
Saskatchewan	60%	$85	63%	$81	-4.5%	5.1%
Alberta (excl. Resorts)	68%	$100	73%	$99	-6.6%	1.5%
British Columbia	72%	$128	74%	$131	-0.9%	-2.8%
Total Canada	**69%**	**$121**	**74%**	**$126**	**-6.4%**	**-4.0%**

Source: PKF Consulting

- Demand for the Canadian accommodation market was **down approximately 1.44 Million room nights or 6.4% in Quarter 3 2003**, as compared to the same period in 2002.

- On a month-by-month basis, the situation improved as the Quarter progressed, with Canadian demand down 8.7% in July, 6.3% in August and 4.0% in September.

- For the first nine months of 2003, National demand was down by 5.5% with the Quarter 2 and 3 results somewhat mitigated by the demand increase in Quarter 1.

2.0 NATIONAL PERFORMANCE OF CANADA'S ACCOMMODATION INDUSTRY – Third Quarter 2003

2.1 NATIONAL RESULTS – 3rd Quarter 2003

Hotel Supply Inventory

- Canada's accommodation inventory averaged 333,428 rooms in Quarter 3 2003 – a 1.0% increase in supply with the addition of 3,180 rooms since Quarter 3 2002.

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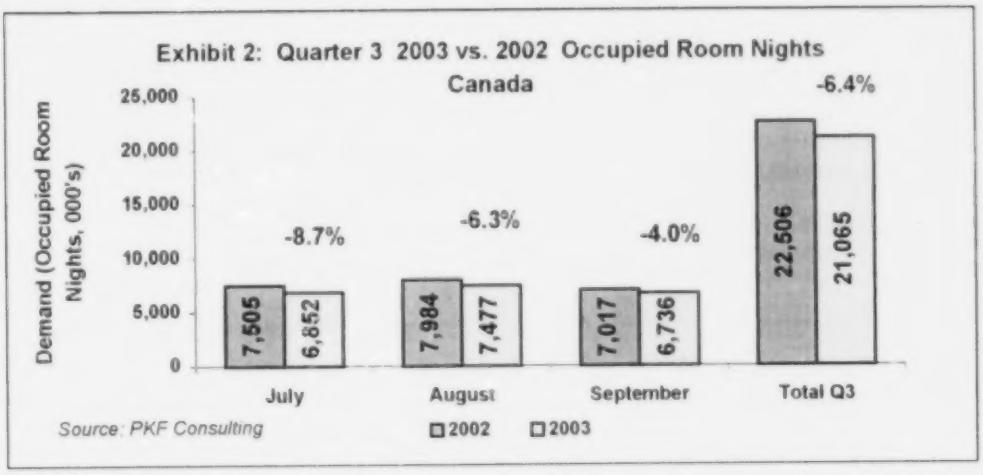
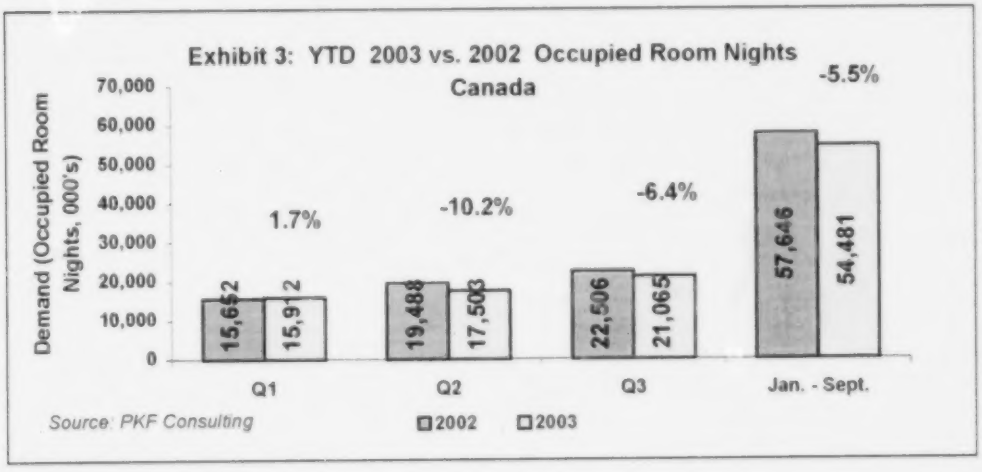
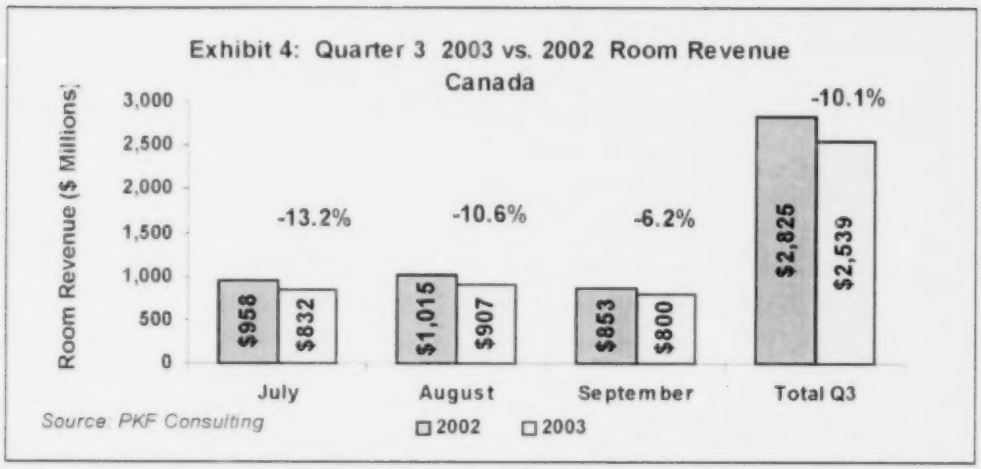


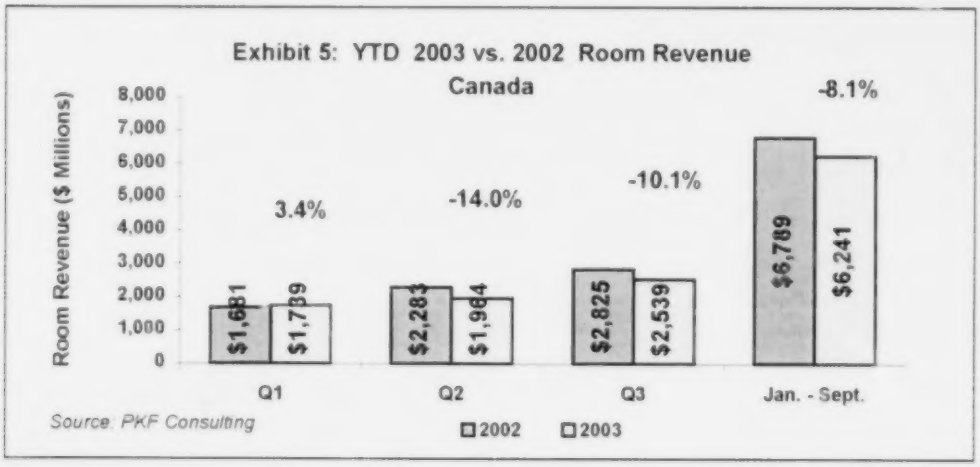


Room Revenue

- Nationally, rooms revenue declined by 13.2% in July, 10.6% in August and 6.2% in September. Overall, Quarter 3 room revenue was down by $287 Million compared to the same period last year. Quarter 3's losses represent about 90% of the losses suffered in Quarter 2, which were posted at $319 Million.

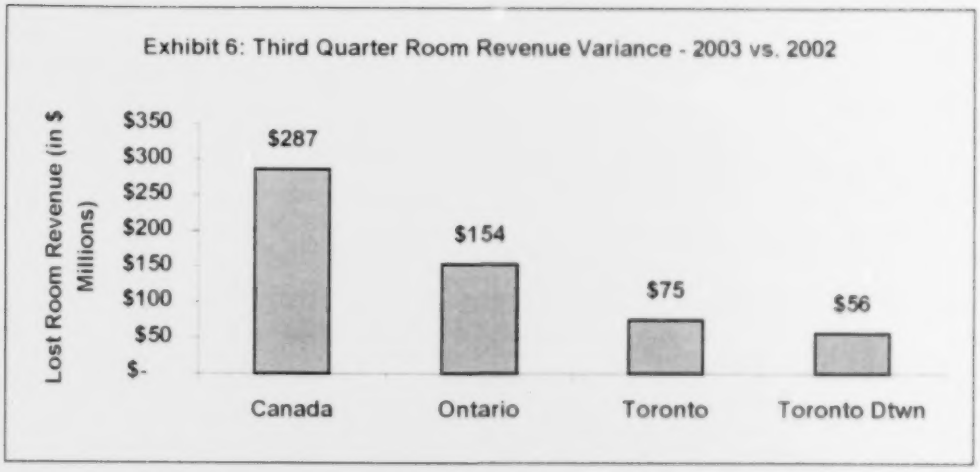
- During the first nine months of 2003, room revenues declined by 8.1% or $548 Million, in comparison to last year.





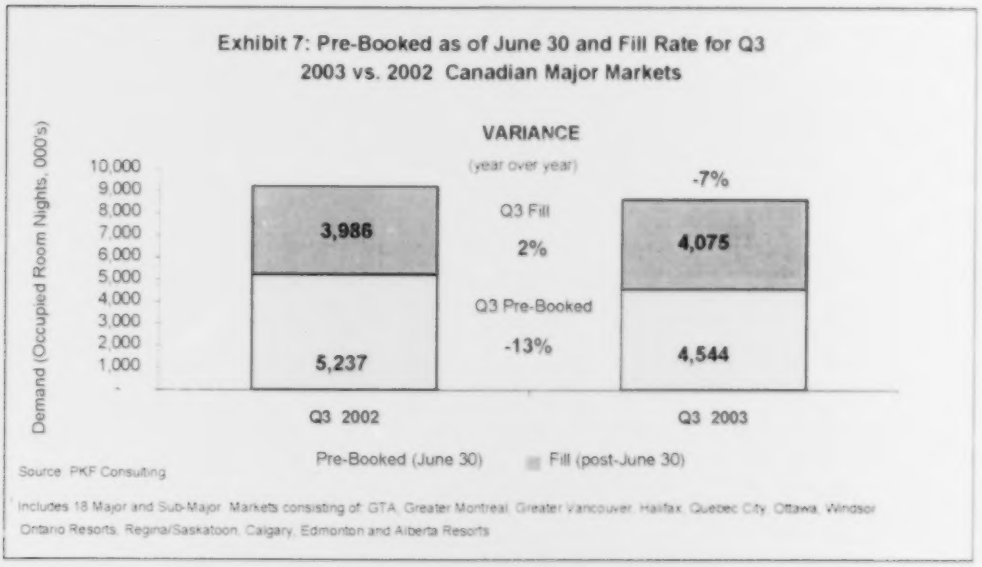
- Canada as a whole lost $287 Million in room revenue during Quarter 3 in comparison to last year. Of the total room revenue erosion in the 3rd Quarter, $154 Million occurred in Ontario, $75 Million was in the Greater Toronto Area, and more narrowly, $56 Million was lost by Downtown Toronto hotels.

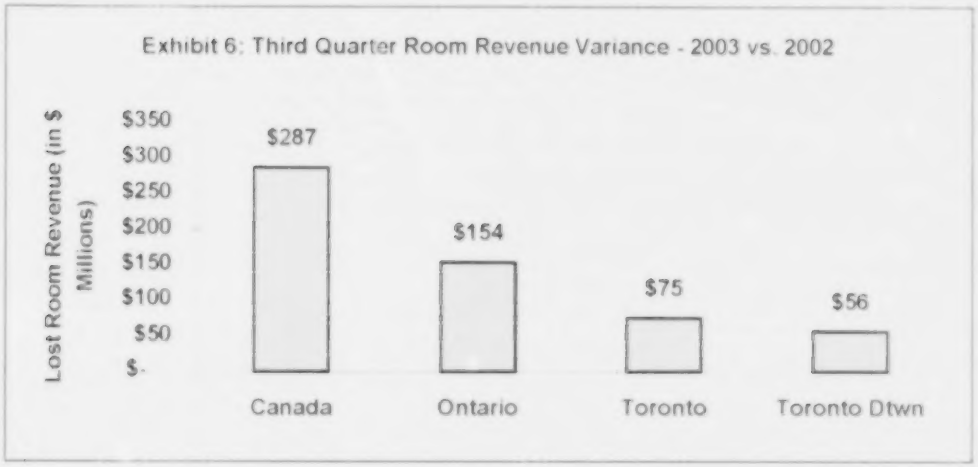
- In comparison to Quarter 2 results, the impacts were more evenly distributed across Canada's major markets during the 3rd Quarter. While losses in the GTA were still a major factor, Quarter 3's GTA losses made up 26% of the national loss in comparison to Quarter 2, which saw 35% of the national losses occurring in the GTA.



Pre-Booked Business and Fill Rate

- As of June 30th, hoteliers in Canada's major markets had pre-booked 4.5 Million room nights for the upcoming months of July, August and September – 13% fewer room nights than were pre- booked over the same time frame last year.
- The fill rate for the industry rose by 2% in Quarter 3, with 4.1 Million room nights sold between June 30th and September 30th, compared to 4.0 Million in the previous year.
- Overall 3rd Quarter demand in Canada's major markets fell by 7%, due primarily to the lack of pre-booked business booked before June 30th.





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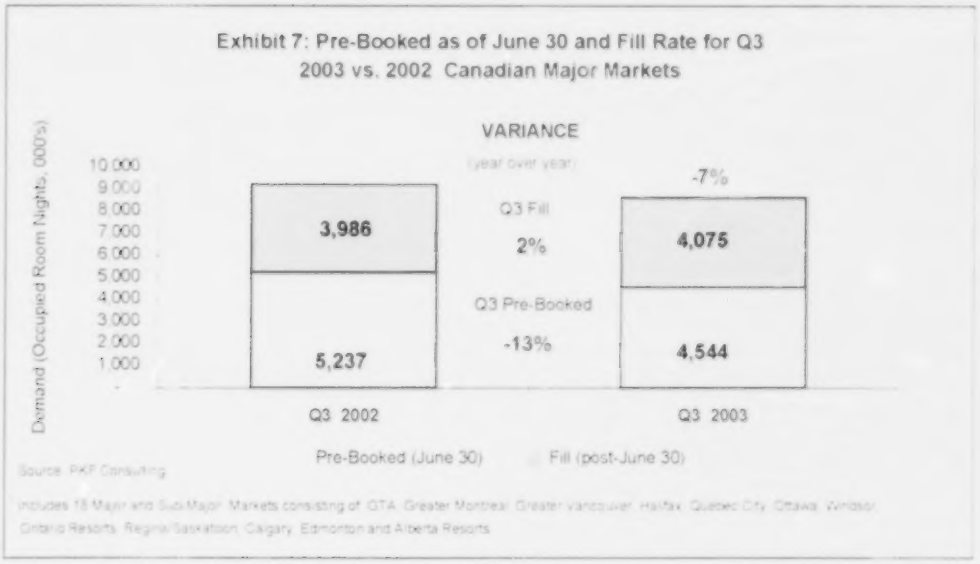
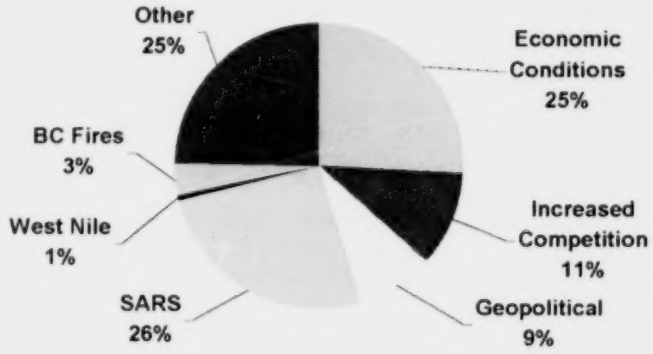


Market Factors Responsible for Demand Loss in Canada's Major Markets

- Hoteliers in Canada's 18 major and sub-major markets cited a variety of reasons for their 3rd Quarter demand erosion. SARS was the factor behind 26% of demand loss in Canadian major markets trailed by national, provincial and regional economic conditions (25%), increased competition (11%), geopolitical reasons (9%) and other reasons (25%). BSE (Mad Cow disease) and West Nile virus had very little effect on 3rd Quarter demand.

Exhibit 8: Market Factors Responsible for Demand Loss in Canadian Major Markets (Quarter 3 2003)



Source: PKF Consulting

[1] Includes 18 Major and sub-Major Markets consisting of: GTA, Greater Montreal, Greater Vancouver, Halifax, Quebec City, Ottawa, Winds Ontario Resorts, Regina/Saskatoon, Calgary, Edmonton and Alberta Resorts

2.2 NATIONAL CANCELLATIONS and BOOKING PACE in QUARTERS 3 & 4

- Hotels in Canada's 18 major and sub-major markets logged over 212,000 cancellations for Quarter 4, 2003. Almost half of the total cancellations were due to concerns over SARS. Geopolitical reasons cost hoteliers 26,000 Quarter 4 reservations. BSE (Mad Cow), West Nile virus, and the forest fires in British Columbia were cited as very small factors for room cancellations and are thus included in the cancellations due to other reasons in this national major market summary.

Room Cancellations Attributed to SARS

- Canada's major accommodation markets reported an estimated **94,000 room nights cancelled in Quarter 4 2003** attributed to travel fears associated with Severe Acute Respiratory Syndrome – equating to **a potential $11.9 Million loss in Quarter 4** rooms revenue.

- In terms of potential rooms revenue loss in Quarter 4, the top 5 impacted markets from SARS were: Greater Toronto Area, Quebec City, Alberta Resorts, Windsor and Halifax/Dartmouth.

Exhibit 9: Cancellations and Potential Room Revenue Loss Attributed to SARS by Major Market

	As at June 30th		As at September 30th (Cumulative)	
Major Market	Cancellations	Revenue ($000)	Cancellations	Revenue ($000)
1 Greater Toronto Area	24,512	$3,117	45,452	$5,780
2 Quebec City	20,325	$2,683	21,780	$2,875
3 Alberta Resorts	11,855	$1,757	12,157	$1,802
4 Windsor	3,994	$408	3,994	$408
5 Halifax / Dartmouth	3,439	$376	3,439	$376
6 Edmonton	2,417	$235	3,197	$311
7 Greater Montreal Area	457	$58	1,699	$216
8 Greater Vancouver Area	1,048	$109	2,226	$122
9 Ottawa	-	$0	-	$0
10 Ontario Resorts	-	$0	-	$0
11 Calgary	-	$0	-	$0
12 Regina / Saskatoon	-	$0	-	$0
13 Winnipeg	-	$0	-	$0
Total Major Markets	**68,047**	**$8,743**	**93,944**	**$11,890**

Room Cancellations Attributed To Geopolitical Reasons

- Due to Geopolitical reasons, Canada's major accommodation markets have logged an estimated **26,000 room nights cancelled for Quarter 4 2003,** which equates to an estimated **$3.3 Million** in potential lost room revenue.

- In terms of revenue loss, the top 5 markets hit hardest by Geopolitical cancellations during Quarter 4 include: Alberta Resorts, Quebec City, Greater Montreal Area, Windsor and Halifax/Darthmouth.

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Exhibit 10: Cancellations and Potential Room Revenue Loss Attributed to Geopolitical Reasons by Major Market

Major Market	As at June 30th Cancellations	As at June 30th Revenue ($000)	As at September 30th (Cumulative) Cancellations	As at September 30th (Cumulative) Revenue ($000)
1 Alberta Resorts	7,215	$1,069	8,072	$1,196
2 Quebec City	5,044	$666	5,044	$666
3 Greater Montreal Area	3,220	$409	3,220	$409
4 Windsor	2,663	$272	2,663	$272
5 Halifax / Dartmouth	2,293	$251	2,293	$251
6 Greater Toronto Area	887	$113	2,110	$268
7 Greater Vancouver Area	1,623	$168	1,623	$168
8 Edmonton	-	$0	730	$76
9 Ottawa	-	$0	177	$22
10 Calgary	-	$0	-	$0
11 Regina / Saskatoon	-	$0	-	$0
12 Ontario Resorts	-	$0	-	$0
13 Winnipeg				
Total Major Markets	**22,945**	**$2,948**	**25,982**	**$3,328**

Room Cancellations Attributed To BSE, West Nile Virus And Other Reasons

- Cancellations due to BSE, West Nile Virus, forest fires in BC, and other reasons have grown to over **93,000** for the 4th Quarter in Canada's major markets. This equates to an estimated **$10.1 Million** in potential lost room revenue. West Nile, BSE and the BC fires account for only a small number of the cancellations with other reasons being the primary cause.

- The major markets with the largest potential rooms revenue loss attributable to BSE, West Nile virus, the BC fires and other reasons are: Greater Toronto Area, Alberta Resorts, Edmonton, Greater Vancouver Area, and Ottawa.

Exhibit 11: Cancellations and Potential Room Revenue Loss Attributed to Other Reasons by Major Market

Major Market	As at June 30th Cancellations	As at June 30th Revenue ($000)	As at September 30th Cancellations	As at September 30th Revenue ($000)
1 Greater Toronto Area	9,445	$971	64,728	$6,748
2 Alberta Resorts	5,889	$873	8,594	$1,274
3 Edmonton	7,252	$706	14,269	$1,389
4 Greater Vancouver Area	1,624	$168	1,656	$172
5 Ottawa	662	$83	1,664	$208
6 Quebec City	1,099	$145	1,099	$145
7 Greater Montreal Area	675	$86	675	$86
8 Ontario Resorts	-	$0	318	$52
9 Halifax / Dartmouth	-	$0	401	$44
10 Windsor	-	$0	-	$0
11 Calgary	-	$0	-	$0
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13 Winnipeg	-	$0	-	$0
Total Major Markets	**26,646**	**$3,032**	**93,404**	**$10,118**

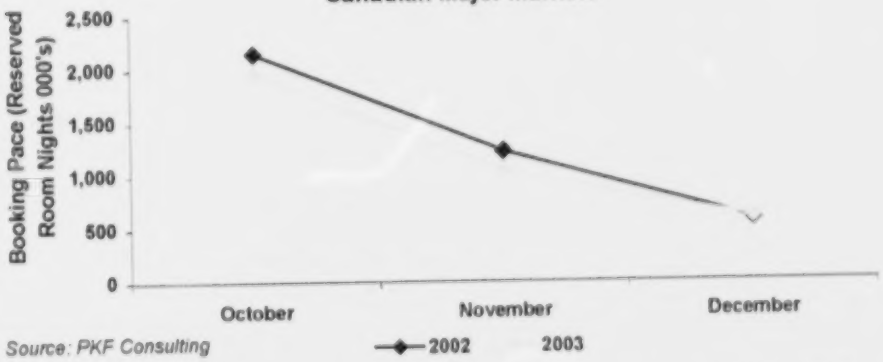
Booking Patterns

- As of September 30, 2002, the number of room nights booked in Canada's major accommodation markets for October 2002 was estimated at 2.1 Million, 1.2 Million for November and 584,000 for December 2002.

- As of September 30, 2003, the number of room nights on the books for the month of October 2003 was estimated at 1.9 Million down 8.7% from the year prior, November's bookings of just over 1 Million room nights were also down by 15%, and December's booking pace of 590,000 is up by 2.6% in comparison to last year.

- Overall the booking pace for the major markets in Canada for October – December of 2003 is down by 9% compared to the same period of 2002.

Exhibit 12: Room Booking Pace (Oct. to Dec. 2003 vs. 2002)
Canadian Major Markets



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CANADA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

CANADA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	327.721	328.472	328.099	329.867	330.182	330.709	330.248
Available Room Nights	29.494.889	29.890.955	59.385.844	10.225.877	10.235.642	9.921.270	30.382.789
Occupancy	53%	65%	59%	73%	78%	71%	74%
Occupied Room Nights	15.651.852	19.488.452	35.140.304	7.504.771	7.983.801	7.017.314	22.505.886
Average Daily Rate	$107	$117	$113	$128	$127	$122	$126
Rooms Revenue ($000)	$1.681.108	$2.282.869	$3.963.976	$957.759	$1.014.502	$853.095	$2.825.356

2003 PKF OUTLOOK AT JANUARY 1, 2003

CANADA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	331.554	331.994	331.775	333.298	333.409	333.581	333.428
Available Room Nights	29.839.845	30.211.484	60.051.329	10.332.238	10.335.679	10.007.430	30.675.347
Occupancy (2% Demand Growth)	54%	66%	60%	74%	79%	72%	75%
Occupied Room Nights	15.964.889	19.878.221	35.843.110	7.654.867	8.143.477	7.157.661	22.956.004
Average Daily Rate (2.3% Rate Growth)	$110	$120	$115	$131	$130	$124	$128
Rooms Revenue ($000)	$1.754.169	$2.382.082	$4.136.251	$999.383	$1.058.592	$890.170	$2.948.145

2003 ACTUAL RESULTS

CANADA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	331.554	331.994	331.775	333.298	333.409	333.581	333.428
Available Room Nights	29.839.845	30.211.484	60.051.329	10.332.238	10.335.679	10.007.430	30.675.347
Occupancy	53%	58%	56%	66%	72%	67%	69%
Occupied Room Nights	15.912.283	17.503.482	33.415.766	6.852.340	7.476.830	6.736.001	21.065.172
Average Daily Rate	$109	$112	$111	$121	$121	$119	$121
Rooms Revenue ($000)	$1.738.721	$1.963.947	$3.702.667	$831.669	$906.640	$800.439	$2.538.748

CANADA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

CANADA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%	1.0%
Occupancy Points	0.3%	-7.3%	-3.5%	-7.1%	-5.7%	-3.4%	-5.4%
Occupied Room Nights	1.7%	-10.2%	-4.9%	-8.7%	-6.3%	-4.0%	-6.4%
Average Daily Rate	1.7%	-4.2%	-1.8%	-4.9%	-4.6%	-2.3%	-4.0%
Rooms Revenue ($000)	3.4%	-14.0%	-6.6%	-13.2%	-10.6%	-6.2%	-10.1%

2003 ACTUAL TO 2003 PKF OUTLOOK

CANADA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.2%	-7.9%	-4.0%	-7.8%	-6.4%	-4.2%	-6.2%
Occupied Room Nights	-0.3%	-11.9%	-6.8%	-10.5%	-8.2%	-5.9%	-8.2%
Average Daily Rate	-0.6%	-6.4%	-4.0%	-7.0%	-6.7%	-4.5%	-6.2%
Rooms Revenue ($000)	-0.9%	-17.6%	-10.5%	-16.8%	-14.4%	-10.1%	-13.9%
Variance to PKF Forecast ($000)	*-$15,448*	*-$418,135*	*-$433,584*	*-$167,715*	*-$151,951*	*-$89,731*	*-$409,397*
Variance to 2002 Actuals ($000)	*$57,613*	*-$318,922*	*-$261,309*	*-$126,090*	*-$107,861*	*-$52,656*	*-$286,607*

3.0 ATLANTIC CANADA PROVINCIAL/MARKET PERFORMANCE

3.1 ATLANTIC CANADA

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Atlantic Canada's accommodation market was 24,686 rooms in Quarter 3 2003 – a 200 room increase over the average Quarter 3 inventory of 24,486 rooms.

Demand and Rate

- During Quarter 3 2003 Atlantic Canada's hotel market achieved a 80% occupancy at an average daily rate of $114. Occupancy levels were 2.6 percentage points lower than Quarter 3 of last year, with the average daily rate improving by $2.

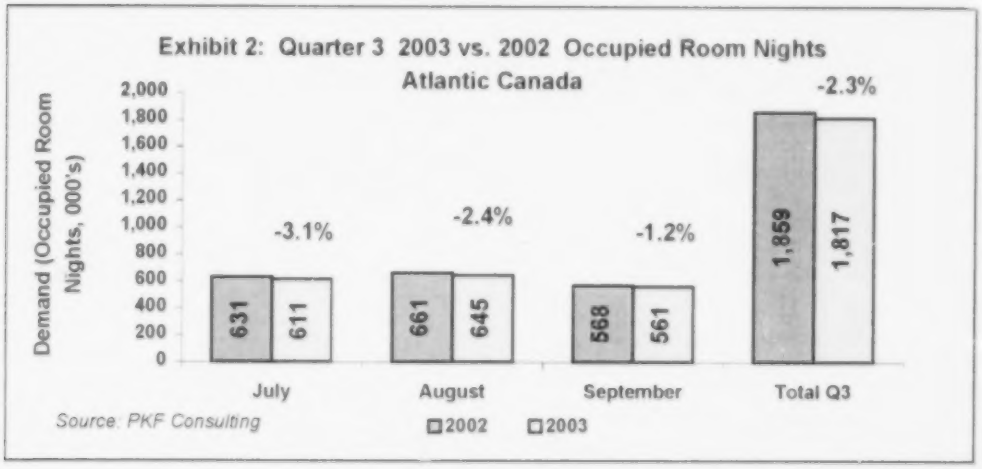
- Demand for the Atlantic Canada accommodation market was **down by approximately 42,000 room nights or 2.3% in Quarter 3 2003**, as compared to the third quarter of 2002.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Newfoundland	80%	$108	78%	$105	3%	3%
Prince Edward Island	74%	$129	77%	$128	-4%	1%
Nova Scotia	85%	$121	89%	$118	-4%	3%
New Brunswick	76%	$103	79%	$102	-2%	1%
Total Atlantic	**80%**	**$114**	**83%**	**$112**	**-2%**	**2%**

Source: PKF Consulting

- While demand was down by 3.1% in July, the situation improved throughout the balance of the summer, with August down by 2.4% and September down by 1.2%.



3.0 ATLANTIC CANADA PROVINCIAL/MARKET PERFORMANCE

3.1 ATLANTIC CANADA

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

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Demand and Rate

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Total Atlantic	**80%**	**$114**	**83%**	**$112**	**-2%**	**2%**

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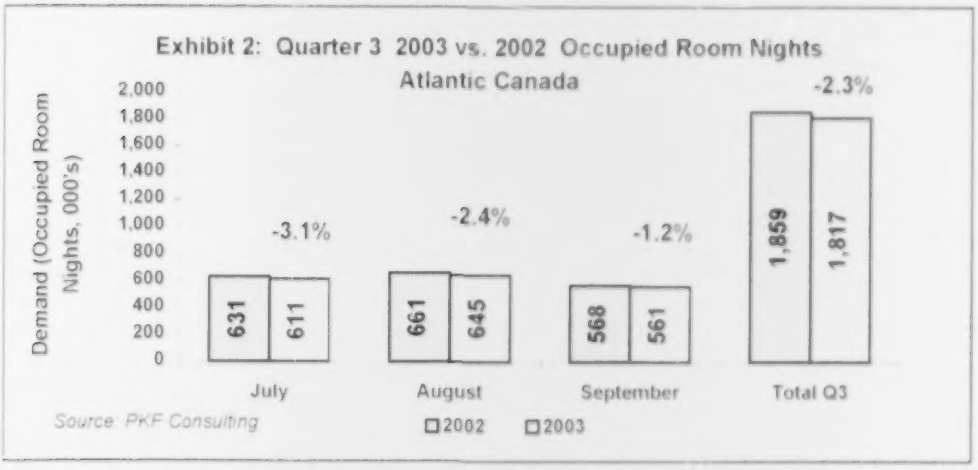
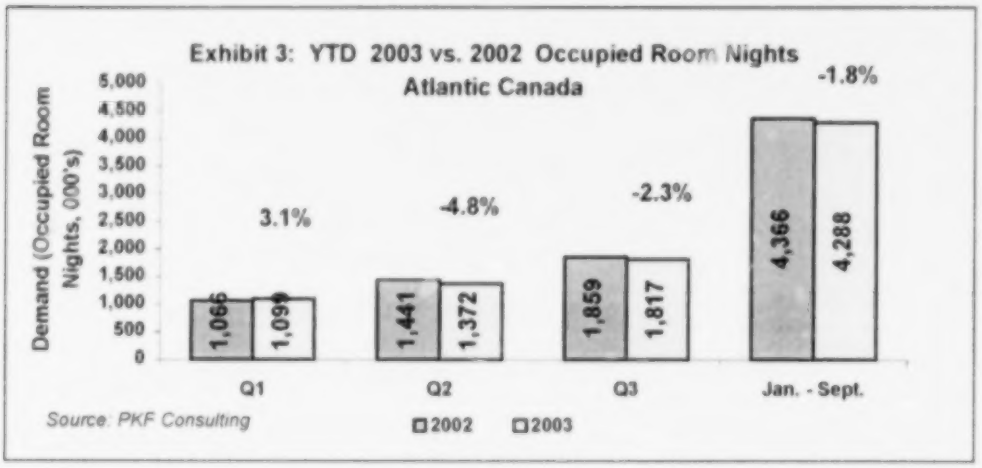


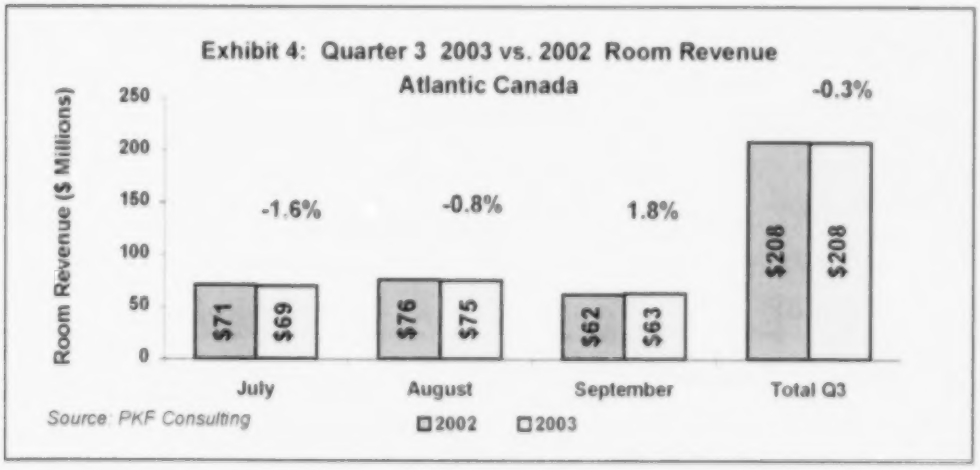
- Demand was up by 3.1% at the end of Quarter 1 and Quarter 2 results showed a decline of 4.8%, with **Quarter 3's results 2.3% behind 2002**, bringing year-to-date 2003 results 1.8% behind the first nine months of 2002.



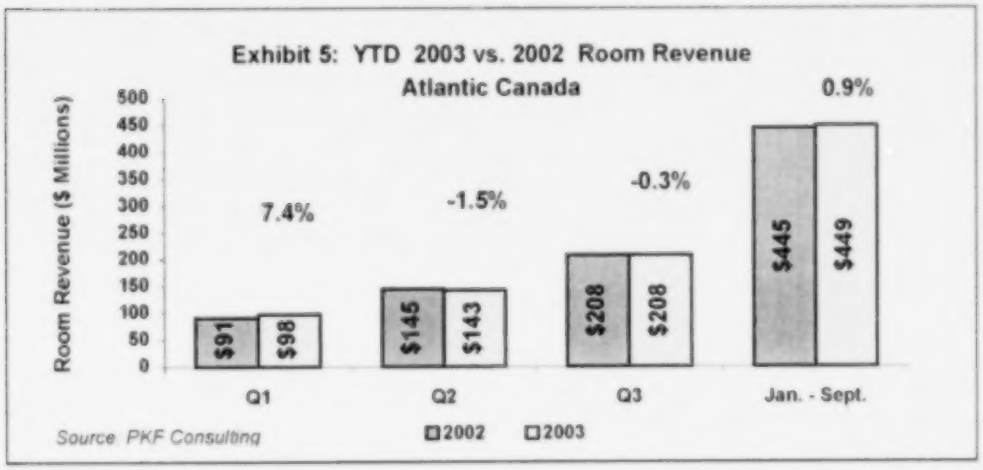
Room Revenue

- Atlantic Canada's room revenue declined by 1.6% in July and 0.8% in August, before turning the corner in September, which posted a 1.8% increase. This was the same pattern exhibited in Quarter 2.

- Overall, Quarter 3 room revenue was down by $625,000 (-0.3%) compared to the same period last year – a marked improvement from the $2.2 Million in room revenue losses reported in Quarter 2.



- Year-to-date room revenue for Atlantic Canada is marginally ahead of last year, by an estimated $4 Million.



ATLANTIC CANADA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

ATLANTIC CANADA REGION	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	24,424	24,468	24,446	24,468	24,468	24,468	24,468
Available Room Nights	2,198,160	2,226,588	4,424,748	758,508	758,508	734,040	2,251,056
Occupancy	48%	65%	57%	83%	87%	77%	83%
Occupied Room Nights	1,065,888	1,440,935	2,506,823	630,927	660,736	567,560	1,859,223
Average Daily Rate	$86	$101	$94	$112	$114	$109	$112
Rooms Revenue ($000)	$91,363	$145,146	$236,509	$70,620	$75,542	$62,068	$208,230

2003 PKF OUTLOOK AT JANUARY 1, 2003

ATLANTIC CANADA REGION	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	24,563	24,604	24,583	24,686	24,686	24,686	24,686
Available Room Nights	2,210,670	2,238,923	4,449,593	765,266	765,266	740,580	2,271,112
Occupancy (2% Demand Growth)	49%	66%	57%	84%	88%	78%	84%
Occupied Room Nights	1,087,206	1,469,754	2,556,959	643,545	673,951	578,911	1,896,407
Average Daily Rate (2% Rate Growth)	$87	$103	$96	$114	$117	$112	$114
Rooms Revenue ($000)	$95,054	$151,010	$246,064	$73,473	$78,594	$64,576	$216,642

2003 ACTUAL RESULTS

ATLANTIC CANADA REGION	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	24,563	24,604	24,583	24,686	24,686	24,686	24,686
Available Room Nights	2,210,670	2,238,923	4,449,593	765,266	765,266	740,580	2,271,112
Occupancy	50%	61%	56%	80%	84%	76%	80%
Occupied Room Nights	1,098,605	1,372,045	2,470,650	611,218	645,196	560,619	1,817,033
Average Daily Rate	$89	$104	$98	$114	$116	$113	$114
Rooms Revenue ($000)	$98,090	$142,964	$241,054	$69,465	$74,952	$63,187	$207,605

ATLANTIC CANADA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

ATLANTIC CANADA REGION	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.6%	0.6%	0.6%	0.9%	0.9%	0.9%	0.9%
Occupancy Points	1.2%	-3.4%	-1.1%	-3.3%	-2.8%	-1.6%	-2.6%
Occupied Room Nights	3.1%	-4.8%	-1.4%	-3.1%	-2.4%	-1.2%	-2.3%
Average Daily Rate	4.2%	3.4%	3.4%	1.5%	1.6%	3.1%	2.0%
Rooms Revenue ($000)	7.4%	-1.5%	1.9%	-1.6%	-0.8%	1.8%	-0.3%

2003 ACTUAL TO 2003 PKF OUTLOOK

ATLANTIC CANADA REGION	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.5%	-4.4%	-1.9%	-4.2%	-3.8%	-2.5%	-3.5%
Occupied Room Nights	1.0%	-6.6%	-3.4%	-5.0%	-4.3%	-3.2%	-4.2%
Average Daily Rate	2.1%	1.4%	1.4%	-0.5%	-0.4%	1.0%	0.0%
Rooms Revenue ($000)	3.2%	-5.3%	-2.0%	-5.5%	-4.6%	-2.2%	-4.2%
Variance to PKF Forecast ($000)	*$3,038*	*-$8,046*	*-$5,010*	*-$4,008*	*-$3,841*	*-$1,389*	*-$9,038*
Variance to 2002 Actuals ($000)	*$6,727*	*-$2,182*	*$4,545*	*-$1,155*	*-$590*	*$1,119*	*-$625*

3.2 PROVINCE OF NEWFOUNDLAND

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Newfoundland's accommodation market was 3,903 rooms in Quarter 3 2003 – an increase of 52 rooms over Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, Newfoundland's hotel market achieved a 80% occupancy at an average daily rate of $108. Occupancy levels were 1.3 percentage points higher than Quarter 3 of last year, and the average daily rate improved by approximately $3.

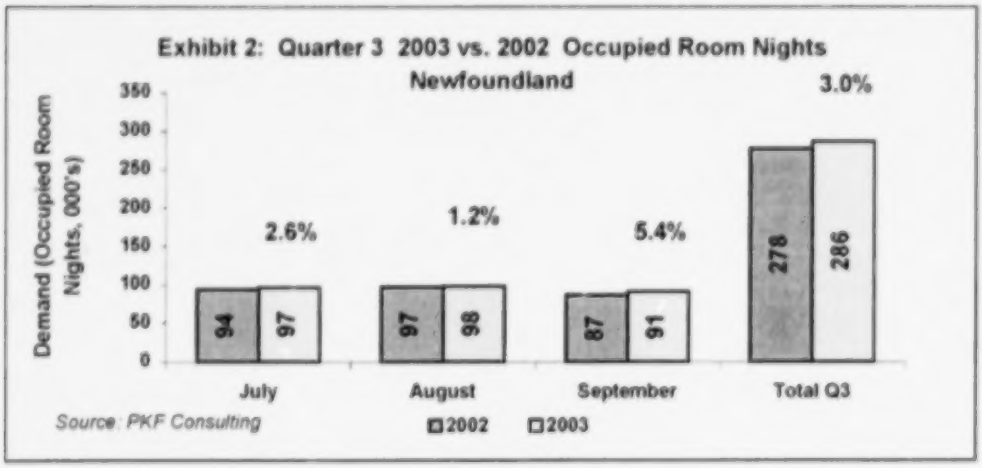
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
St.John's	84%	$126	84%	$122	4%	3%
Total Newfoundland	**80%**	**$108**	**78%**	**$105**	**3%**	**3%**

Source: PKF Consulting

- After being down by approximately 5,400 room nights in Quarter 2, demand for the Newfoundland accommodation market was **ahead by an estimated 8,400 room nights in Quarter 3 2003**, as compared to the same quarter in 2002.

- Each month in Quarter 3 2003 underwent an improvement over last year – July was ahead by 2.6%, August by 1.2% and September by a healthy 5.4%.



- Quarter 1 demand levels were down by 1.4%, followed by a 2.3% decline in Quarter 2, with Quarter 3 results, 3.0% ahead of the same period in 2002.

3.2 PROVINCE OF NEWFOUNDLAND

QUARTER 3 2003: RESULTS

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- Newfoundland's accommodation market was 3,903 rooms in Quarter 3 2003 – an increase of 52 rooms over Quarter 3 2002.

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Total Newfoundland	**80%**	**$108**	**78%**	**$105**	**3%**	**3%**

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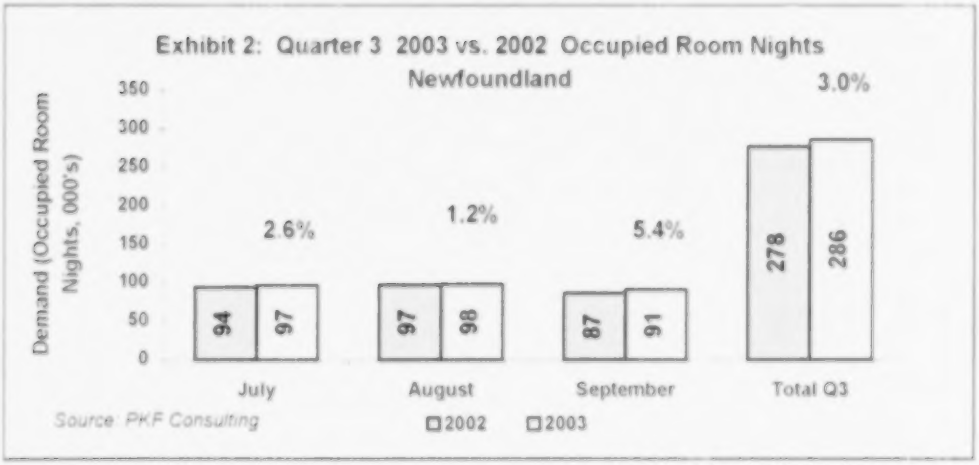

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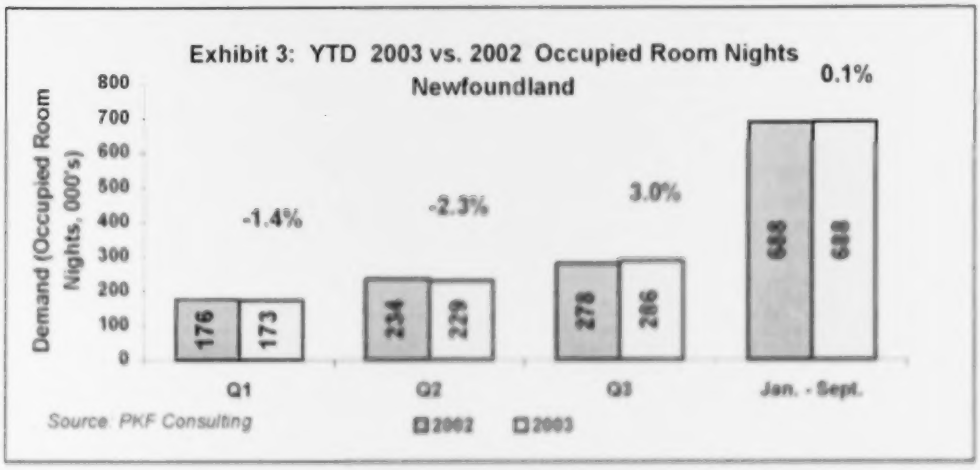
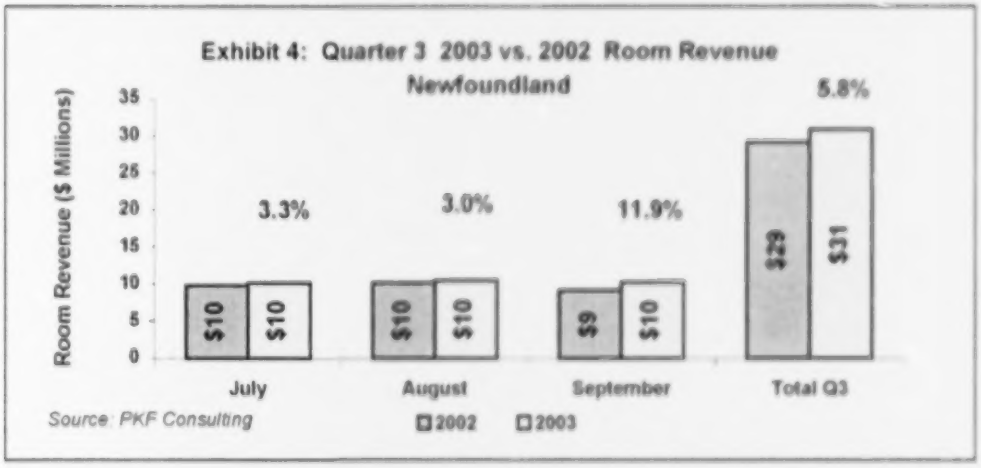
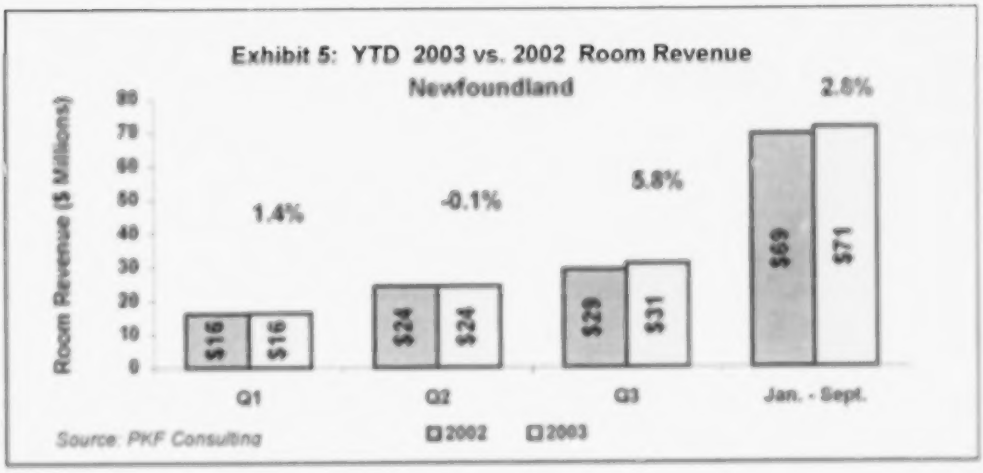


Room Revenue

- Newfoundland's room revenue improved by 3.3% in July and 3.0% in August, before demonstrating a strong 11.9% increase in September, in comparison to last year.
- Despite losses in April, overall Quarter 2 room revenue was on par with the same period last year, and the **Quarter 3 results were 5.8% higher than last year**. Buoyed by Newfoundland's strong performance in September, Quarter 3 room revenues were $1.7 Million ahead of last year's Q3 results.



- Year-to-date room revenue for Newfoundland is 2.8% ahead of last year, equating to an estimated $1.9 Million.



NEWFOUNDLAND 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL NEWFOUNDLAND	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,851	3,851	3,851	3,851	3,851	3,851	3,851
Available Room Nights	346,590	350,441	697,031	119,381	119,381	115,530	354,292
Occupancy	51%	67%	59%	79%	81%	75%	78%
Occupied Room Nights	175,887	234,112	409,999	94,263	97,105	86,590	277,957
Average Daily Rate	$91	$103	$96	$105	$105	$105	$105
Rooms Revenue ($000)	$16,029	$24,157	$40,187	$9,882	$10,154	$9,130	$29,166

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL NEWFOUNDLAND	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,851	3,868	3,860	3,903	3,903	3,903	3,903
Available Room Nights	346,590	352,001	698,591	120,993	120,993	117,090	359,076
Occupancy (2% Demand Growth)	52%	68%	60%	79%	82%	75%	79%
Occupied Room Nights	179,404	238,794	418,199	95,149	99,047	88,322	283,517
Average Daily Rate (2% Rate Growth)	$93	$105	$100	$107	$107	$108	$107
Rooms Revenue ($000)	$16,677	$25,133	$41,810	$10,281	$10,564	$9,499	$30,344

2003 ACTUAL RESULTS

TOTAL NEWFOUNDLAND	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,851	3,868	3,860	3,903	3,903	3,903	3,903
Available Room Nights	346,590	352,001	698,591	120,993	120,993	117,090	359,076
Occupancy	50%	65%	58%	80%	81%	78%	80%
Occupied Room Nights	173,345	228,722	402,068	96,746	98,283	91,307	286,335
Average Daily Rate	$94	$106	$100	$105	$106	$112	$108
Rooms Revenue ($000)	$16,259	$24,139	$40,397	$10,204	$10,454	$10,212	$30,870

NEWFOUNDLAND 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL NEWFOUNDLAND	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.4%	0.2%	1.4%	1.4%	1.4%	1.4%
Occupancy Points	-0.7%	-1.8%	-1.3%	1.0%	-0.1%	3.0%	1.3%
Occupied Room Nights	-1.4%	-2.3%	-1.9%	2.6%	1.2%	5.4%	3.0%
Average Daily Rate	2.9%	2.3%	2.5%	0.6%	1.7%	6.1%	2.7%
Rooms Revenue ($000)	1.4%	-0.1%	0.5%	3.2%	3.0%	11.8%	5.8%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL NEWFOUNDLAND	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-1.7%	-2.9%	-2.3%	0.5%	-0.6%	2.5%	0.9%
Occupied Room Nights	-3.4%	-4.2%	-3.9%	0.6%	-0.8%	3.4%	1.0%
Average Daily Rate	0.9%	0.3%	0.5%	-1.4%	-0.3%	4.0%	0.7%
Rooms Revenue ($000)	-2.5%	-4.0%	-3.4%	-0.7%	-1.0%	7.5%	1.7%
Variance to PKF Forecast ($000)	*-$418*	*-$994*	*-$1,413*	*-$77*	*-$110*	*$713*	*$520*
Variance to 2002 Actuals ($000)	*$229*	*-$18*	*$211*	*$322*	*$300*	*$1,082*	*$1,704*

ST. JOHN'S 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

St. John's, Nfld	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,571	1,571	1,571	1,571	1,571	1,571	1,571
Available Room Nights	141,390	142,961	284,351	48,701	48,701	47,130	144,532
Occupancy	55%	75%	65%	85%	84%	83%	84%
Occupied Room Nights	78,219	106,852	185,070	41,318	40,919	39,047	121,284
Average Daily Rate	$96	$115	$105	$117	$132	$115	$123
Rooms Revenue ($000)	$7,670	$12,269	$19,939	$4,864	$5,390	$4,500	$14,754

2003 PKF OUTLOOK AT JANUARY 1, 2003

St. John's, Nfld	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,571	1,588	1,580	1,623	1,623	1,623	1,623
Available Room Nights	141,390	144,521	285,911	50,313	50,313	48,690	149,316
Occupancy (2% Demand Growth)	56%	75%	66%	84%	83%	82%	83%
Occupied Room Nights	79,783	108,989	188,772	42,144	41,737	39,828	123,709
Average Daily Rate (2% Rate Growth)	$100	$117	$110	$120	$134	$120	$126
Rooms Revenue ($000)	$7,980	$12,765	$20,744	$5,061	$5,608	$4,779	$15,448

2003 ACTUAL RESULTS

St. John's, Nfld	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,571	1,588	1,580	1,623	1,623	1,623	1,623
Available Room Nights	141,390	144,521	285,911	50,313	50,313	48,690	149,316
Occupancy	54%	72%	63%	86%	80%	87%	84%
Occupied Room Nights	76,844	104,658	181,501	43,113	40,492	42,521	126,126
Average Daily Rate	$100	$117	$110	$117	$135	$126	$128
Rooms Revenue ($000)	$7,716	$12,262	$19,979	$5,054	$5,464	$5,349	$15,866

ST. JOHN'S 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

St. John's, Nfld	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	1.1%	0.5%	3.3%	3.3%	3.3%	3.3%
Occupancy Points	-1.0%	-2.3%	-1.6%	0.8%	-3.5%	4.5%	0.6%
Occupied Room Nights	-1.8%	-2.1%	-1.9%	4.3%	-1.0%	8.9%	4.0%
Average Daily Rate	2.4%	2.0%	2.2%	-0.2%	2.4%	7.0%	2.9%
Rooms Revenue ($000)	0.6%	-0.1%	0.2%	4.1%	1.4%	18.5%	7.9%

2003 ACTUAL TO 2003 PKF OUTLOOK

St. John's, Nfld	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-2.1%	-3.0%	-2.5%	1.9%	-2.5%	5.5%	1.6%
Occupied Room Nights	-3.7%	-4.0%	-3.9%	2.3%	-3.0%	6.9%	2.0%
Average Daily Rate	0.4%	0.0%	0.2%	-2.2%	0.4%	4.9%	0.8%
Rooms Revenue ($000)	-3.3%	-3.9%	-3.7%	0.1%	-2.6%	12.0%	2.8%
Variance to PKF Forecast ($000)	-$264	-$503	-$768	$3	-$144	$574	$433
Variance to 2002 Actuals ($000)	$46	-$7	$39	$148	$74	$799	$1,032

3.3 PROVINCE OF PRINCE EDWARD ISLAND

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Prince Edward Island's accommodation market was 2,715 rooms in Quarter 3 2003 – with no change from Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, Prince Edward Island's hotel market achieved a 75% occupancy at an average daily rate of $129. Occupancy levels were 2 percentage points lower than Quarter 3 of last year, and the average daily rate was $1 above Q3, 2002.

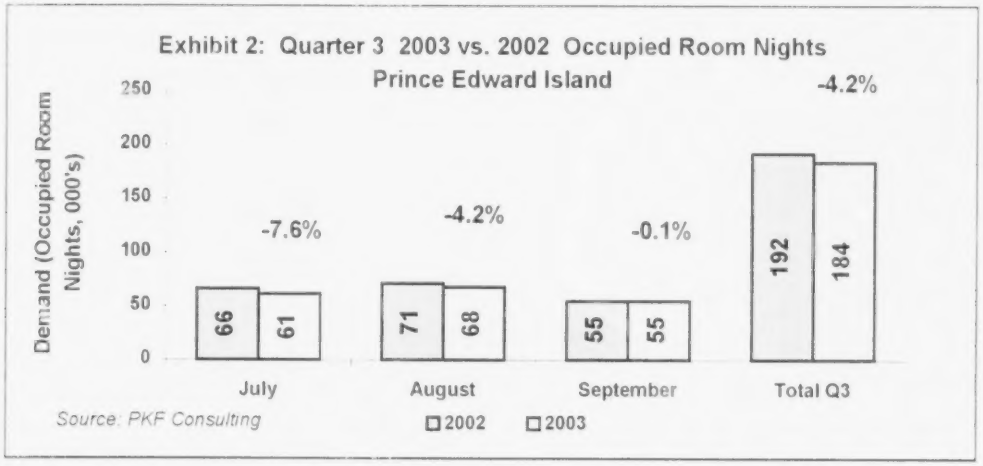
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
TOTAL P E I	74%	$129	77%	$128	-4%	1%

Source: PKF Consulting

- Demand for the Prince Edward Island accommodation market was **down by approximately 8,050 room nights or 4.2% in Quarter 3 2003**, as compared to Quarter 3, 2002. This compares to the 7,435 room nights lost during Quarter 2, 2003.

- Although demand was down by 7.6% in July and August was off by 4.2%, September's results were on par with last year.



- Demand was up by 4.3% at the end of Quarter 1 and Quarter 2 results showed a decline of 6.7%, with Quarter 3 results 2.4% behind last year – representing a **year-to-date loss of 12,200 room nights (-3.2%).**

3.3 PROVINCE OF PRINCE EDWARD ISLAND

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Prince Edward Island's accommodation market was 2,715 rooms in Quarter 3 2003 – with no change from Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, Prince Edward Island's hotel market achieved a 75% occupancy at an average daily rate of $129. Occupancy levels were 2 percentage points lower than Quarter 3 of last year, and the average daily rate was $1 above Q3, 2002.

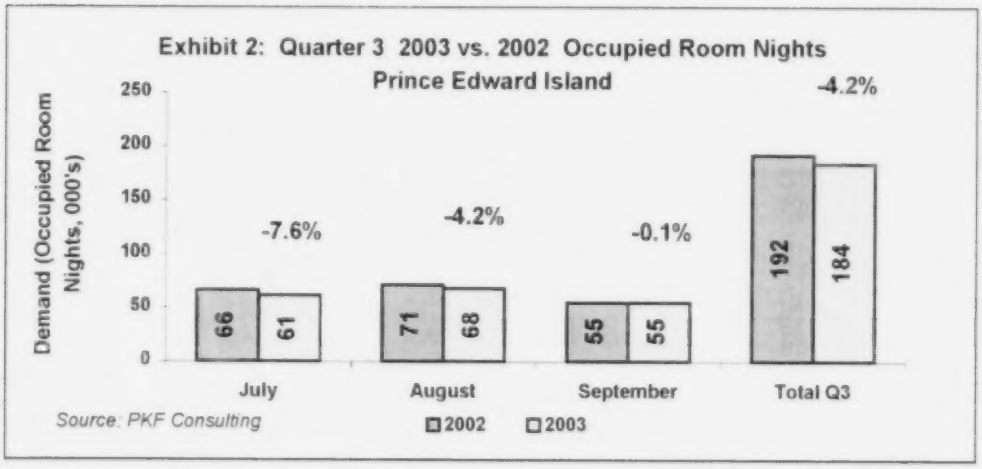
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3- 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
TOTAL P E I	74%	$129	77%	$128	-4%	1%

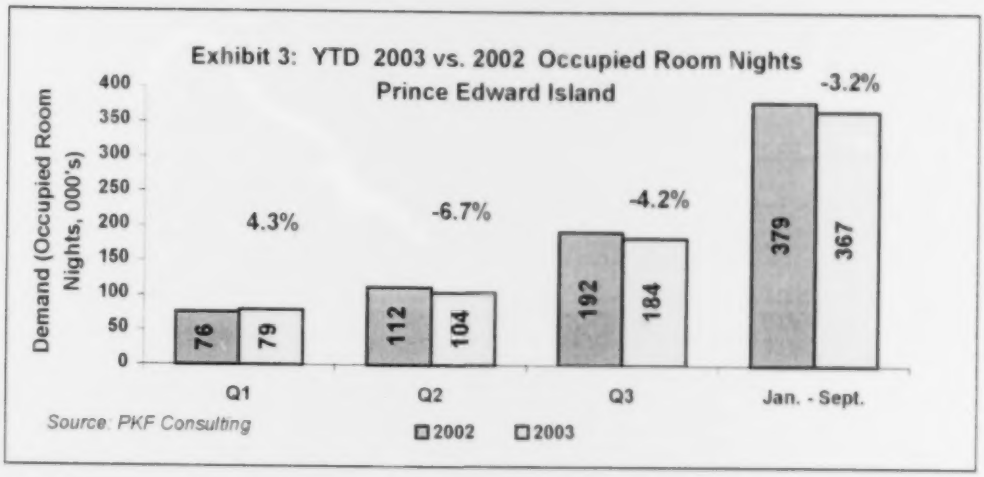
Source: PKF Consulting

- Demand for the Prince Edward Island accommodation market was **down by approximately 8,050 room nights or 4.2% in Quarter 3 2003**, as compared to Quarter 3, 2002. This compares to the 7,435 room nights lost during Quarter 2, 2003.

- Although demand was down by 7.6% in July and August was off by 4.2%, September's results were on par with last year.



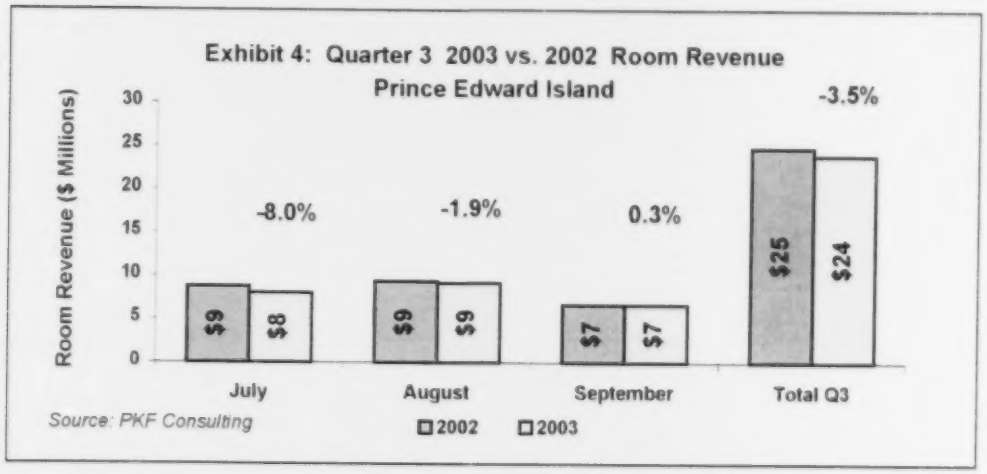
- Demand was up by 4.3% at the end of Quarter 1 and Quarter 2 results showed a decline of 6.7%, with Quarter 3 results 2.4% behind last year – representing a **year-to-date loss of 12,200 room nights (-3.2%).**



Room Revenue

- Although PEI suffered a 33.3% erosion in room revenue during the month of April at the onset of SARS and the Iraq War, the Quarter 3 results were not as severe – July's room revenues were down by 8.0%, August was down by 1.9% and September's results were almost on par with last year.

- Overall Quarter 3 room revenue was $858,000 below the same Quarter last year. Year-to-date room revenue is only behind by an estimated $550,000 in comparison to last year (-1.4%).



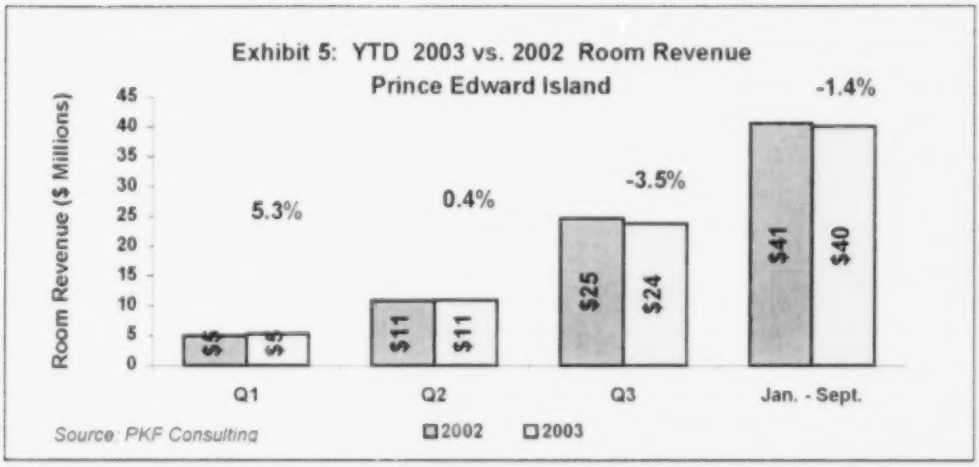


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Prince Edward Island
Room Revenue ($ Millions)
45
40
35
30
25
20
15
10
5
0
5.3%
0.4%
-3.5%
-1.4%
$5
$5
$11
$11
$25
$24
$41
$40
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

PEI 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL PEI	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,715	2,715	2,715	2,715	2,715	2,715	2,715
Available Room Nights	244,350	247,065	491,415	84,165	84,165	81,450	249,780
Occupancy	31%	45%	38%	79%	84%	68%	77%
Occupied Room Nights	75,556	111,803	187,359	66,280	70,715	55,052	192,047
Average Daily Rate	$66	$98	$85	$132	$132	$120	$128
Rooms Revenue ($000)	$4,950	$10,912	$15,862	$8,743	$9,315	$6,619	$24,678

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL PEI	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,715	2,715	2,715	2,715	2,715	2,715	2,715
Available Room Nights	244,350	247,065	491,415	84,165	84,165	81,450	249,780
Occupancy (2% Demand Growth)	32%	46%	39%	80%	86%	69%	78%
Occupied Room Nights	77,067	114,039	191,106	67,606	72,130	56,153	195,888
Average Daily Rate (2% Rate Growth)	$67	$100	$86	$135	$134	$123	$131
Rooms Revenue ($000)	$5,150	$11,353	$16,503	$9,096	$9,692	$6,887	$25,675

2003 ACTUAL RESULTS

TOTAL PEI	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,715	2,715	2,715	2,715	2,715	2,715	2,715
Available Room Nights	244,350	247,065	491,415	84,165	84,165	81,450	249,780
Occupancy	32%	42%	37%	73%	80%	68%	74%
Occupied Room Nights	78,797	104,368	183,166	61,272	67,736	54,987	183,995
Average Daily Rate	$66	$105	$88	$131	$135	$121	$129
Rooms Revenue ($000)	$5,213	$10,959	$16,172	$8,044	$9,140	$6,636	$23,820

PEI 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL PEI	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	1.3%	-3.0%	-0.9%	-6.0%	-3.5%	-0.1%	-3.2%
Occupied Room Nights	4.3%	-6.6%	-2.2%	-7.6%	-4.2%	-0.1%	-4.2%
Average Daily Rate	1.0%	7.6%	4.3%	-0.5%	2.4%	0.4%	0.7%
Rooms Revenue ($000)	5.3%	0.4%	2.0%	-8.0%	-1.9%	0.2%	-3.5%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL PEI	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.7%	-3.9%	-1.6%	-7.5%	-5.2%	-1.4%	-4.8%
Occupied Room Nights	2.2%	-8.5%	-4.2%	-9.4%	-6.1%	-2.1%	-6.1%
Average Daily Rate	-1.0%	5.5%	2.2%	-2.4%	0.4%	-1.6%	-1.2%
Rooms Revenue ($000)	1.2%	-3.5%	-2.0%	-11.6%	-5.7%	-3.6%	-7.2%
Variance to PKF Forecast ($000)	*$63*	*-$393*	*-$331*	*-$1,052*	*-$551*	*-$251*	*-$1,855*
Variance to 2002 Actuals ($000)	*$263*	*$47*	*$310*	*-$899*	*-$175*	*$16*	*-$858*

3.4 PROVINCE OF NOVA SCOTIA

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Nova Scotia's accommodation market was 10,288 rooms in Quarter 3 2003 – a 50 room (0.5%) increase from Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, Nova Scotia's hotel market achieved a 85% occupancy at an average daily rate of $121. Occupancy levels were 4 percentage points below Quarter 3 of last year, with the average daily rate improving by close to $3.

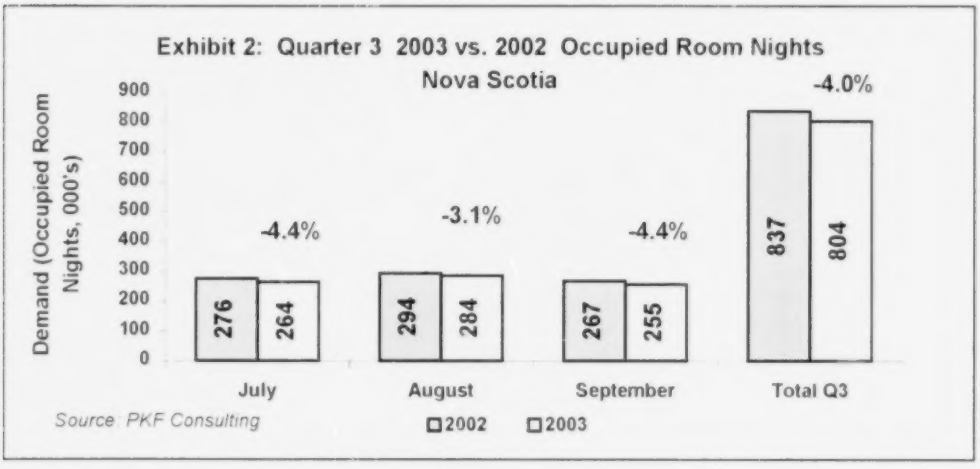
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Halifax	89%	$131	92%	$127	-3%	3%
Other Nova Scotia	76%	$96	82%	$94	-7%	2%
Total Nova Scotia	**85%**	**$121**	**89%**	**$118**	**-4%**	**3%**

Source: PKF Consulting

- Demand for the Nova Scotia accommodation market was down **by approximately 33,140 room nights or 4.0% in Quarter 3, 2003**, as compared to Quarter 3, 2002.

- Similar to Quarter 2 results, demand has consistently been down by 3 to 4% in each month of the third quarter.



- While demand was ahead by 2.9% at the end of Quarter 1, Quarter 2 results showed a decline of 4.4%, with Quarter 3 results behind by 4.0%. This represents 48,500 fewer room nights sold, in comparison to the first nine months of 2002.

3.4 PROVINCE OF NOVA SCOTIA

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

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Market	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
	Occ.	ADR	Occ.	ADR	Demand	ADR
Halifax	89%	$131	92%	$127	-3%	3%
Other Nova Scotia	76%	$96	82%	$94	-7%	2%
Total Nova Scotia	**85%**	**$121**	**89%**	**$118**	**-4%**	**3%**

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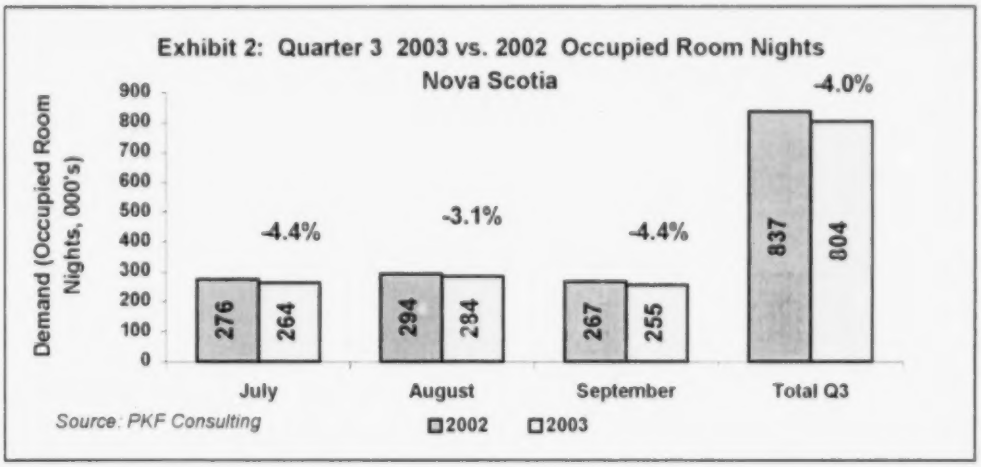

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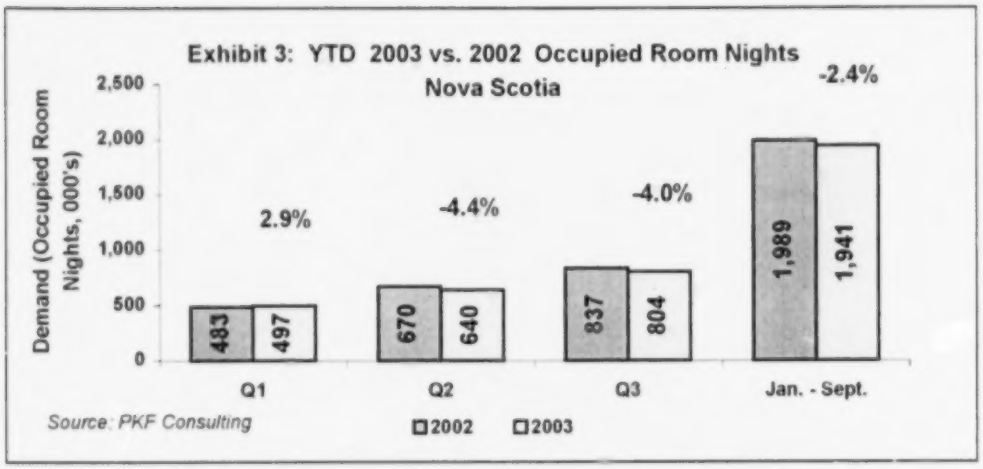
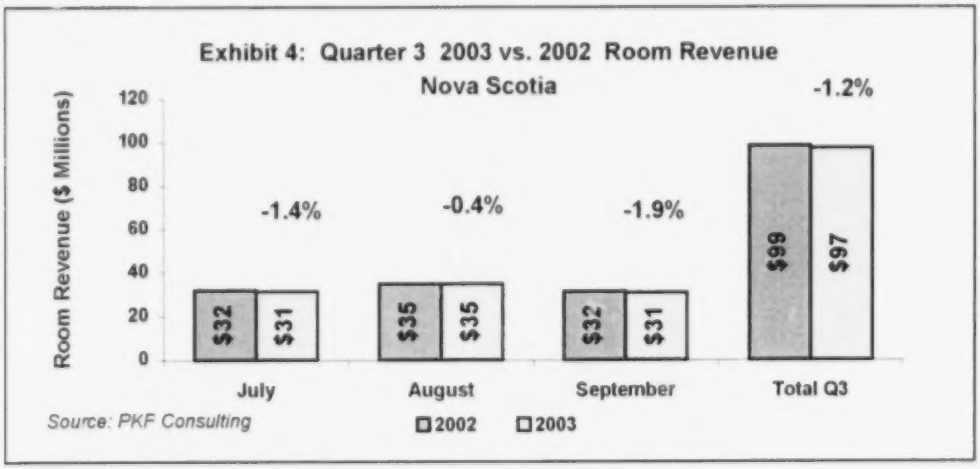


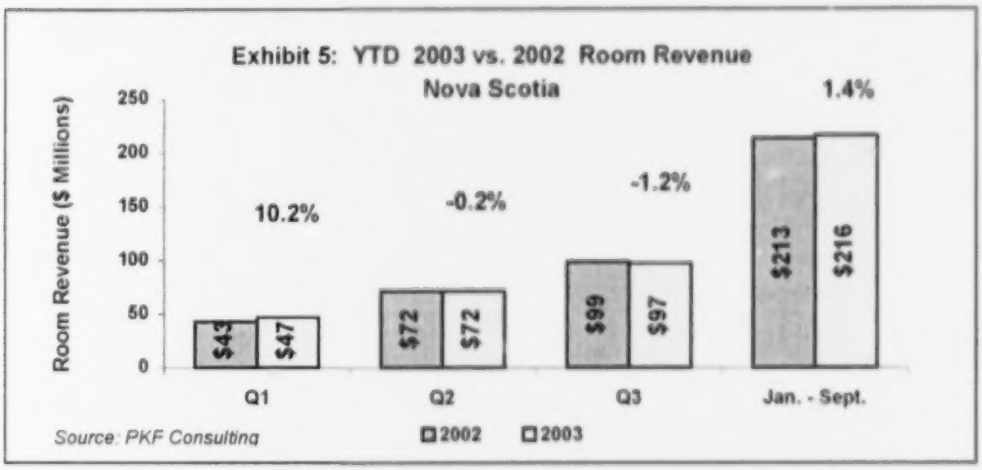
Room Revenue

- Unlike the first half of the year, where the industry achieved a healthy 5% increase in ADR, the average daily rate growth for the province slowed to a moderate 3% in Quarter 3.
- Following the gains made in Quarter 1, and minimal erosion in Quarter 2, **Quarter 3 room revenue results for the province were behind by $1.2 Million** – a 1.2% decline from the third Quarter of 2002.



- Led by a strong first quarter, year-to-date room revenues for the province are ahead by 1.4% -- representing a gain of $3 Million.

- While the province posted strong gains in Quarter 1, the pace stalled in Quarters 2 and 3, resulting in a year-to-date 1.4% increase in room revenue, as compared to last year.



NOVA SCOTIA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL NOVA SCOTIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	10,238	10,238	10,238	10,238	10,238	10,238	10,238
Available Room Nights	921,420	931,658	1,853,078	317,378	317,378	307,140	941,896
Occupancy	52%	72%	62%	87%	92%	87%	89%
Occupied Room Nights	482,722	669,682	1,152,404	276,055	293,511	267,365	836,932
Average Daily Rate	$89	$107	$100	$116	$120	$118	$118
Rooms Revenue ($000)	$42,912	$71,904	$114,816	$31,951	$35,116	$31,552	$98,619

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL NOVA SCOTIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	10,288	10,288	10,288	10,288	10,288	10,288	10,288
Available Room Nights	925,920	936,208	1,862,128	318,928	318,928	308,640	946,496
Occupancy (2% Demand Growth)	53%	73%	63%	88%	94%	88%	90%
Occupied Room Nights	492,376	683,076	1,175,452	281,576	299,381	272,713	853,671
Average Daily Rate (2% Rate Growth)	$91	$110	$102	$118	$122	$120	$120
Rooms Revenue ($000)	$44,645	$74,809	$119,454	$33,241	$36,534	$32,826	$102,602

NOVA SCOTIA 2003 ACTUAL RESULTS

TOTAL NOVA SCOTIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	10,288	10,288	10,288	10,288	10,288	10,288	10,288
Available Room Nights	925,920	936,208	1,862,128	318,928	318,928	308,640	946,496
Occupancy	54%	68%	61%	83%	89%	83%	85%
Occupied Room Nights	496,581	640,435	1,137,016	263,881	284,420	255,492	803,793
Average Daily Rate	$95	$112	$105	$119	$123	$121	$121
Rooms Revenue ($000)	$47,204	$71,744	$119,039	$31,499	$34,978	$30,950	$97,426

NOVA SCOTIA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL NOVA SCOTIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Occupancy Points	1.2%	-3.5%	-1.1%	-4.2%	-3.3%	-4.3%	-3.9%
Occupied Room Nights	2.9%	-4.4%	-1.3%	-4.4%	-3.1%	-4.4%	-4.0%
Average Daily Rate	7.1%	4.3%	5.1%	3.1%	2.8%	2.7%	2.9%
Rooms Revenue ($000)	10.2%	-0.2%	3.7%	-1.4%	-0.4%	-1.9%	-1.2%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL NOVA SCOTIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.5%	-4.6%	-2.1%	-5.5%	-4.7%	-5.6%	-5.3%
Occupied Room Nights	0.9%	-6.2%	-3.3%	-6.3%	-5.0%	-6.3%	-5.8%
Average Daily Rate	5.0%	2.3%	3.0%	1.1%	0.8%	0.6%	0.8%
Rooms Revenue ($000)	5.9%	-4.1%	-0.3%	-5.2%	-4.3%	-5.7%	-5.0%
Variance to PKF Forecast ($000)	*$2,649*	*-$3,066*	*-$417*	*-$1,742*	*-$1,556*	*-$1,876*	*-$5,175*
Variance to 2002 Actuals ($000)	*$4,382*	*-$181*	*$4,222*	*-$461*	*-$138*	*-$601*	*-$1,190*

OTHER NOVA SCOTIA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Nova Scotia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,605	5,605	5,605	5,605	5,605	5,605	5,605
Available Room Nights	504,450	510,055	1,014,505	173,755	173,755	168,150	515,660
Occupancy	43%	56%	49%	82%	88%	75%	82%
Occupied Room Nights	218,309	283,482	501,792	143,035	152,644	126,482	422,161
Average Daily Rate	$71	$79	$76	$97	$98	$87	$94
Rooms Revenue ($000)	$15,575	$22,448	$38,023	$13,913	$14,921	$10,957	$39,791

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Nova Scotia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,655	5,655	5,655	5,655	5,655	5,655	5,655
Available Room Nights	508,950	514,605	1,023,555	175,305	175,305	169,650	520,260
Occupancy (2% Demand Growth)	44%	56%	50%	83%	89%	76%	83%
Occupied Room Nights	222,675	289,152	511,827	145,896	155,697	129,012	430,605
Average Daily Rate (2% Rate Growth)	$73	$81	$77	$99	$100	$88	$96
Rooms Revenue ($000)	$16,204	$23,354	$39,558	$14,475	$15,524	$11,400	$41,399

2003 ACTUAL RESULTS

Other Nova Scotia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,655	5,655	5,655	5,655	5,655	5,655	5,655
Available Room Nights	508,950	514,605	1,023,555	175,305	175,305	169,650	520,260
Occupancy	41%	52%	47%	77%	82%	68%	76%
Occupied Room Nights	208,200	269,557	477,758	134,512	143,925	114,700	393,137
Average Daily Rate	$73	$80	$77	$98	$100	$89	$96
Rooms Revenue ($000)	$15,153	$21,649	$36,802	$13,169	$14,453	$10,220	$37,841

OTHER NOVA SCOTIA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Nova Scotia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Occupancy Points	-2.4%	-3.2%	-2.8%	-5.6%	-5.8%	-7.6%	-6.3%
Occupied Room Nights	-4.6%	-4.9%	-4.8%	-6.0%	-5.7%	-9.3%	-6.9%
Average Daily Rate	2.0%	1.4%	1.7%	0.6%	2.7%	2.9%	2.1%
Rooms Revenue ($000)	-2.7%	-3.6%	-3.2%	-5.4%	-3.1%	-6.7%	-4.9%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Nova Scotia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-2.8%	-3.8%	-3.3%	-6.5%	-6.7%	-8.4%	-7.2%
Occupied Room Nights	-6.5%	-6.8%	-6.7%	-7.8%	-7.6%	-11.1%	-8.7%
Average Daily Rate	0.0%	-0.6%	-0.3%	-1.3%	0.7%	0.8%	0.1%
Rooms Revenue ($000)	-6.5%	-7.3%	-7.0%	-9.0%	-6.9%	-10.4%	-8.6%
Variance to PKF Forecast ($000)	*-$1,051*	*-$1,706*	*-$2,757*	*-$1,306*	*-$1,071*	*-$1,180*	*-$3,557*
Variance to 2002 Actuals ($000)	*-$422*	*-$799*	*-$1,221*	*-$744*	*-$468*	*-$737*	*-$1,950*

3.5 HALIFAX/ DARTMOUTH AREA

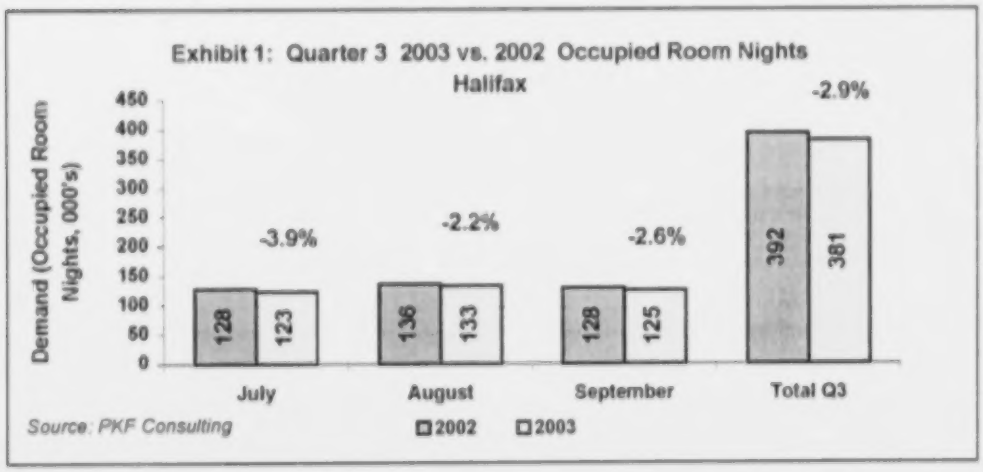
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

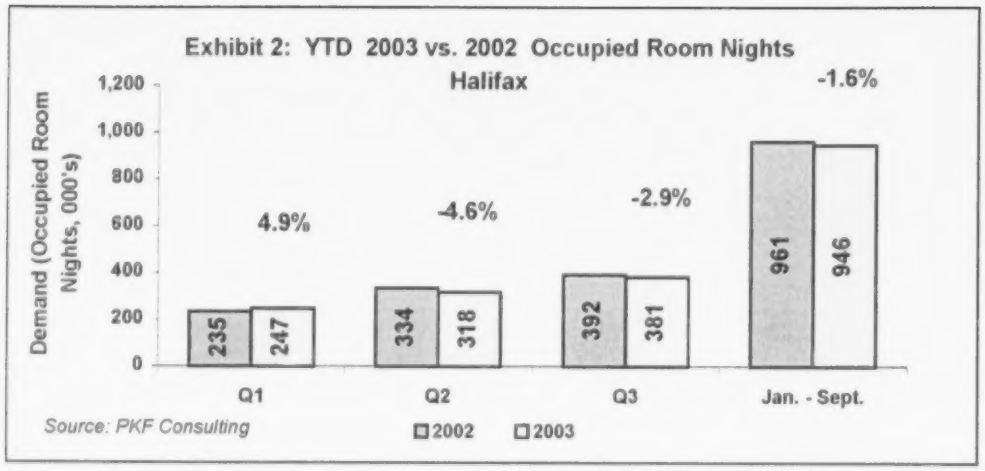
- In Quarter 3 2003, the overall inventory of hotel rooms in the Halifax / Dartmouth market was 4,633 rooms – with no growth or retraction of inventory compared to Q3 2003

Demand

- During Quarter 3, the Halifax hotel market achieved a 89% occupancy at an average daily rate of $131.
- Demand for Halifax hotels **decreased by approximately 11,265 room nights or –2.9% in Quarter 3 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry was down by 3.9% in demand in July, followed by a decline of 2.2% in August and a further decline of 2.6% in September.

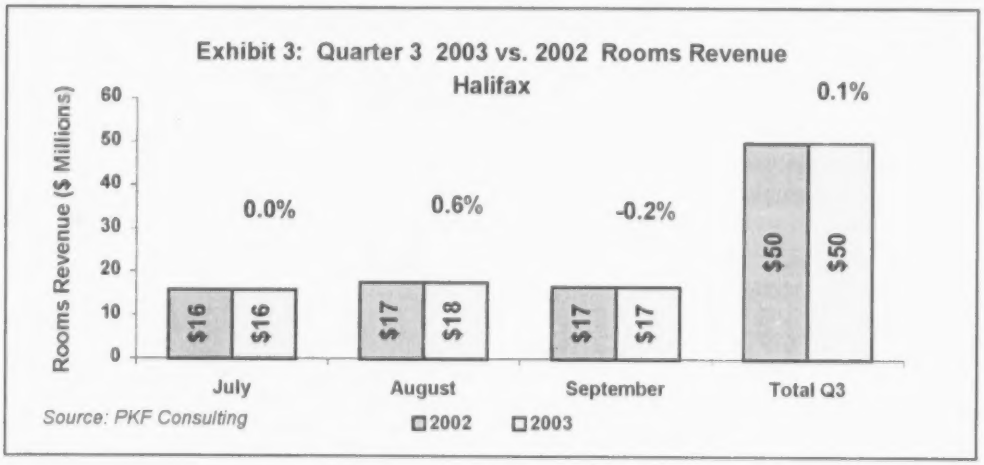


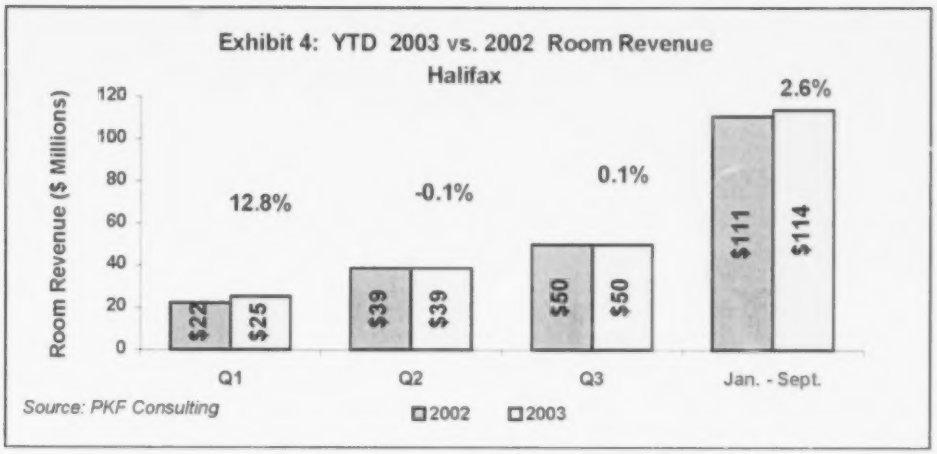
- The year was off to a good start with Quarter 1 demand levels up by 4.9% in Halifax/Dartmouth, but the gains made in the first 3 months were quickly offset by a decline of 4.6% in demand in Quarter 2, and a further erosion of 2.9% in Quarter 3



Room Revenue

- **Quarter 3's room revenue for Halifax/Dartmouth was on par with last year's results.**
- Year-to-date room revenue is actually ahead by $2.9 Million (2.6%), largely due to a strong 1st Quarter performance.





Budgets and PKF Outlook

- According to our PKF Outlook for the Halifax hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the Halifax hotel market was forecast to achieve a 93% occupancy at an average daily rate of $130 in Quarter 3, 2003.

- In preparing their operating budgets at the beginning of the year, Halifax hotels expected to achieve slightly lower occupancy results, with a higher ADR as compared to the PKF Outlook – 90% occupancy at a $132 ADR – by the end of the third quarter.

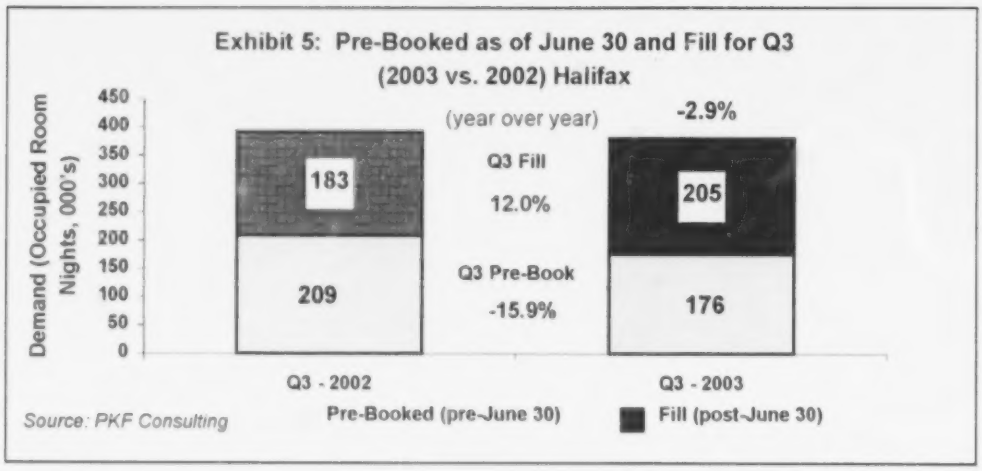
- Based on actual results, the industry only missed their budgets by 1 percentage point in occupancy and $1 in rate in Quarter 3, 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Halifax/Dartmouth hoteliers had pre-booked close to 175,500 room nights for the upcoming months of July, August and September – 16% fewer room nights than were pre- booked over the same time frame last year.

- Although overall Quarter 3 demand was down by 2.9% in 2003, the fill rate for the industry improved by 12% this quarter, with over 205,000 room nights sold between July 1 and September 30, as opposed to 183,000 last year.

- While SARS and geopolitical factors may have impacted pre-booking patterns, Quarter 3 demand remained strong amongst Halifax/Dartmouth accommodation operators.



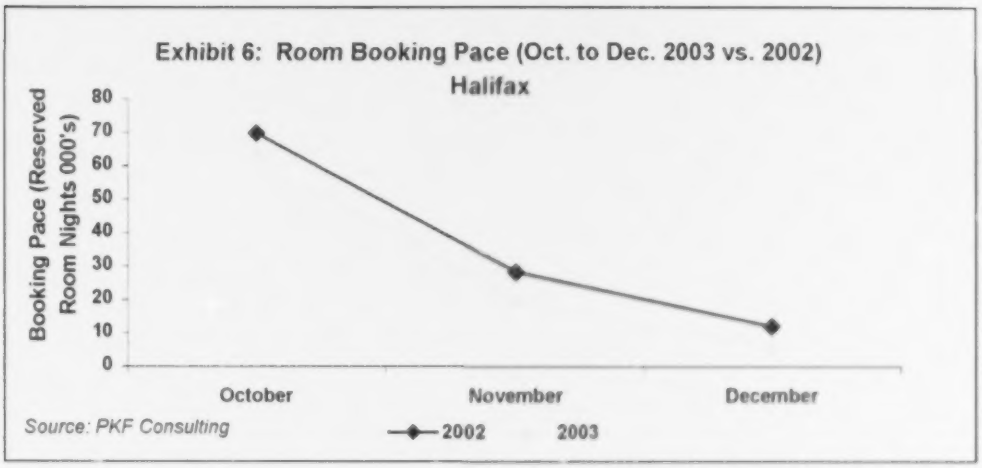
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Halifax hotel industry attributed most of their decreased demand in Quarter 3 2003 to geopolitical factors (28%) and local, regional, national and economic conditions (29%), a marked shift from Quarter 2 demand losses, which were largely attributed to SARS.
- The segment responsible for the largest demand decrease was business travel at 44%, followed by group leisure at 32%.
- Furthermore, the industry cited a decline in domestic travel as the main reason for the loss in business at 74% and a drop in US travel at 25%.
- Based on the hotel guest's primary mode of transportation used to arrive in Halifax/Dartmouth, approximately 43% of the loss in Quarter 3 was attributable to a decline in air traffic, followed by automobile traffic (33%), and motorcoach travel at 24%.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 110,000 room nights or **41%** of October, November and December's 2002's business was pre-booked. In comparison, as of September 30, 2003, **88,000 room nights** of business was pre-booked for Quarter 4– which means that close to **22,000 fewer room nights were pre-booked in Quarter 4 2003** as compared to the same period in 2002.
- This year's **Quarter 4 booking pace is down by 20%** in comparison to last year, which is worst than the period heading into Quarter 3, when the pace was off by 16%.
- Looking ahead to the winter months, unless the infill is as strong as Quarter 3, Quarter 4 demand is also expected to be down.



Q4 - Room Cancellations

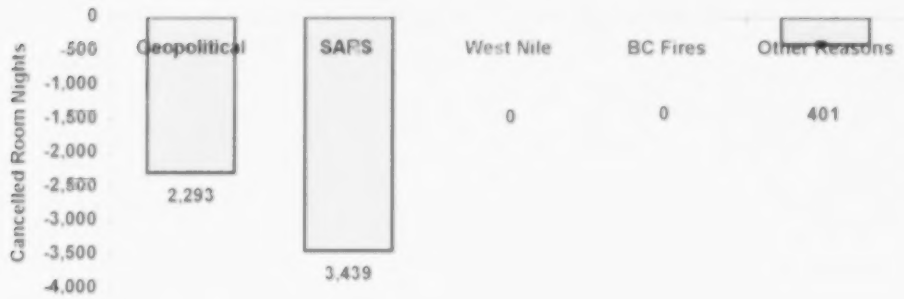
- Since early summer, the Halifax hotel industry reported over **6,000 room cancellations** for Quarter 4 2003. This represents 2% of last year's overall Quarter 4 demand results.
- According to hotel operators, 59% of the room cancellations are attributable to SARS, with 39% due to geopolitical factors.
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the Halifax/Dartmouth market is estimated at **$0.7 Million**. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th (cumulative)
Halifax	5,732	6,133
Cancelled Room Nights	3,439	3,439
Due to SARS	***60%***	***59%***
Cancelled Room Nights	2,293	2,293
Due to Geopolitical Reasons	***40%***	***39%***
Cancelled Room Nights	0	0
Due to West Nile Virus	***0%***	***0%***
Cancelled Room Nights	0	0
Due to BSE	***0%***	***0%***
Cancelled Room Nights	0	401
Due to Other Reasons	***0%***	***2%***

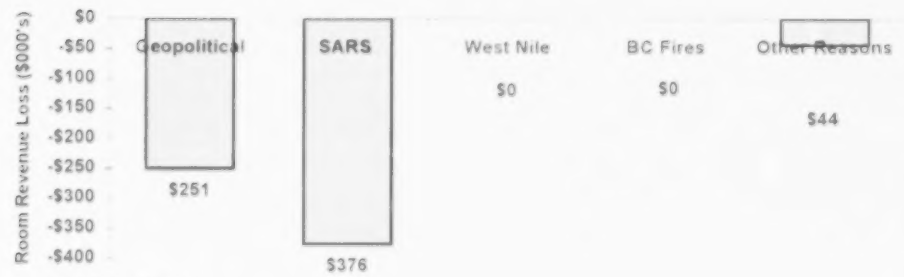
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Halifax



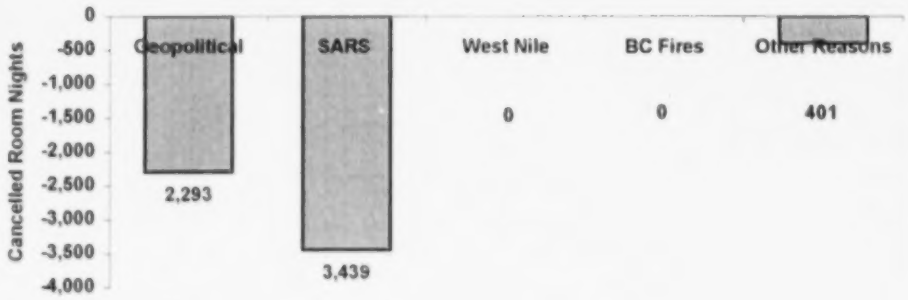
Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Halifax



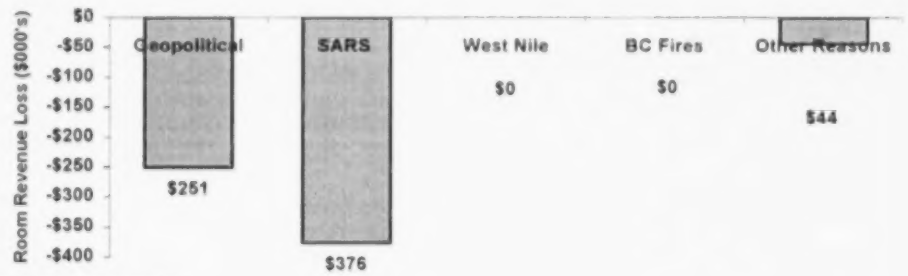
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Halifax



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Halifax



Source: PKF Consulting

Halifax

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633
Available Room Nights	416,370	421,603	838,573	143,623	143,623	138,990	426,236	143,623	138,990	143,623	426,236
Occupancy	56%	79%	68%	91%	95%	92%	92%	78%	60%	41%	63%
Occupied Room Nights	235,301	333,332	568,633	131,425	136,746	128,219	391,390	112,170	84,652	59,402	256,723
Average Daily Rate	$96	$116	$107	$120	$126	$128	$127	$132	$134	$137	$132
Rooms Revenue ($000)	$22,578	$38,745	$61,323	$15,705	$17,484	$16,512	$50,301	$14,734	$11,317	$8,088	$34,139

2003 PKF OUTLOOK AT JANUARY 1, 2003

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633
Available Room Nights	416,370	421,603	838,573	143,623	143,623	138,990	426,236	143,623	138,990	143,623	426,236
Occupancy (+1.0%)	57%	80%	69%	92%	96%	94%	93%	79%	60%	44%	64%
Occupied Room Nights	239,930	338,535	577,965	129,844	137,832	130,142	397,818	113,572	84,372	62,893	272,764
Average Daily Rate (+2.5%)	$97	$119	$110	$125	$132	$132	$132	$135	$136	$134	$133
Rooms Revenue ($000)	$23,273	$40,301	$63,574	$16,230	$18,129	$17,267	$53,626	$15,338	$11,488	$8,439	$36,265

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633
Available Room Nights	416,370	421,603	838,573	143,623	143,623	138,990	426,236	143,623	138,990	143,623	426,236
Occupancy	59%	79%	69%	90%	92%	91%	91%	77%	61%	47%	67%
Occupied Room Nights	246,703	332,724	579,428	129,369	131,927	126,114	383,790	110,725	85,077	56,057	251,154
Average Daily Rate	$100	$124	$112	$130	$134	$133	$132	$125	$137	$134	$133
Rooms Revenue ($000)	$24,670	$41,258	$64,928	$16,820	$17,687	$16,787	$53,724	$13,918	$11,658	$7,516	$33,371

2003 ACTUAL RESULTS

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633	4,633
Available Room Nights	416,370	421,603	838,573	143,623	143,623	138,990	426,236	143,623	138,990	143,623	426,236
Occupancy	59%	70%	67%	85%	85%	90%	85%	1%	1%	1%	1%
Occupied Room Nights	246,674	319,346	566,020	122,896	122,951	124,934	365,879	0	0	0	0
Average Daily Rate	$102	$122	$113	$126	$132	$132	$131	$0	$0	$0	$0
Rooms Revenue ($000)	$25,167	$38,724	$63,891	$15,136	$17,187	$16,547	$53,870	$0	$0	$0	$0

BOOKING PATTERNS

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	159,489	159,649	279,138	79,224	59,540	51,424	229,188	53,743	28,938	12,051	110,138
% Of Rooms Sold	47%	51%	49%	51%	51%	49%	51%	52%	53%	19%	41%
2003 BOOKINGS	119,136	126,909	246,044	67,714	57,271	50,124	175,109	53,349	19,462	5,711	98,522
% Of Rooms Sold	49%	40%	44%	55%	43%	42%	45%	[illegible]	[illegible]	[illegible]	[illegible]
2002/2003 VAR IN PF	1%	-20%	-12%	11%	-17%	-18%	-15%	-1%	11%	13%	-12%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	2.9%	-3.7%	-0.5%	3.5%	-2.7%	2.4%	2.5%	-78.1%	-59.1%	-63.1%	-52.0%
Occupied Room Nights	4.9%	-4.9%	-0.7%	3.9%	-2.7%	2.9%	2.9%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	7.5%	4.8%	5.0%	4.8%	2.9%	2.5%	3.1%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	12.4%	0.1%	4.1%	3.1%	-1.6%	-3.3%	-0.1%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	1.9%	-4.3%	-1.1%	-4.3%	-3.5%	-3.0%	-4.3%	-72.1%	-59.1%	-43.1%	-54.1%
Occupied Room Nights	3.4%	-5.1%	-2.2%	5.3%	-3.9%	-4.0%	-4.3%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	4.9%	2.2%	2.0%	1.5%	0.3%	0.3%	0.5%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	6.4%	-4.1%	-1.1%	3.0%	-3.3%	-4.1%	-3.7%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Halifax	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-0.4%	0.4%	-1.3%	2.4%	0.1%	-1.1%	-0.5%	-77.1%	-58.1%	-47.1%	-53.1%
Occupied Room Nights	-0.7%	-4.1%	-2.0%	2.7%	0.1%	-0.2%	-0.1%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	1.6%	1.1%	1.1%	1.4%	1.2%	-0.1%	-0.6%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	0.2%	0.3%	-1.1%	-0.1%	-0.4%	-2.1%	-1.1%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(15,465)	Total	100%	(15,465)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(15,465)	Total	100%	(15,465)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	3,417	Total	100%	5,732
% Of 2002 Total	1%	$ 484,570	% Of 2002 Total	1%	$ 639,739

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	$	$
[illegible]	$	$
[illegible]	$	$
	$484,570	$639,739

MONTH OF JULY	Variance to PKF Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF AUG	Variance to PKF Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF SEPT	Variance to PKF Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(11,265)	Total	100%	(11,265)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(11,265)	Total	100%	(11,265)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	401
% Of 2002 Total	0%	$ 43,848

		Q4 Potential
[illegible]		$
[illegible]		$
[illegible]		$
[illegible]		$
[illegible]		[illegible]
		643,848

3.6 PROVINCE OF NEW BRUNSWICK

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- New Brunswick's accommodation market was 7,780 rooms in Quarter 3 2003 – with 123 rooms (1.6%) added since Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, New Brunswick's hotel market achieved a 76% occupancy at an average daily rate of $103. Occupancy levels were 3 percentage points lower than Quarter 3 of last year, with the average daily rate improving by approximately $1.

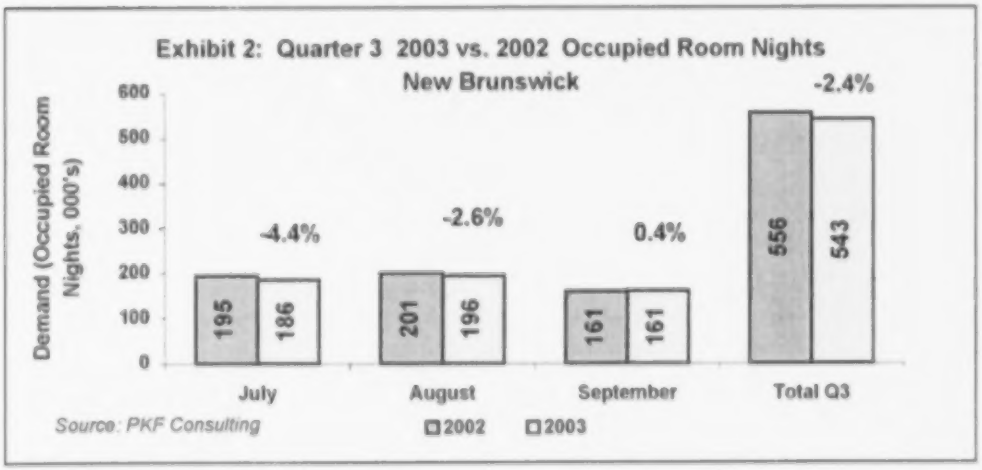
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Moncton	76%	$105	78%	$104	1%	1%
Other New Brunswick	76%	$102	79%	$102	-4%	1%
Total New Brunswick	**76%**	**$103**	**79%**	**$102**	**-2%**	**1%**

Source: PKF Consulting

- Demand for the New Brunswick accommodation market declined **by approximately 13,100 room nights or 2.4% in Quarter 3 2003**, as compared to the same quarter last year.

- The erosion in Q2 and Q3 demand during 2003 has narrowed, from a 12.1% decrease in May, to a 3.8% erosion in June, a 4.4% decline in July, a 2.6% fallout in August and a marginal improvement in September (0.4% ahead of last year).



3.6 PROVINCE OF NEW BRUNSWICK

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- New Brunswick's accommodation market was 7,780 rooms in Quarter 3 2003 – with 123 rooms (1.6%) added since Quarter 3 2002.

Demand and Rate

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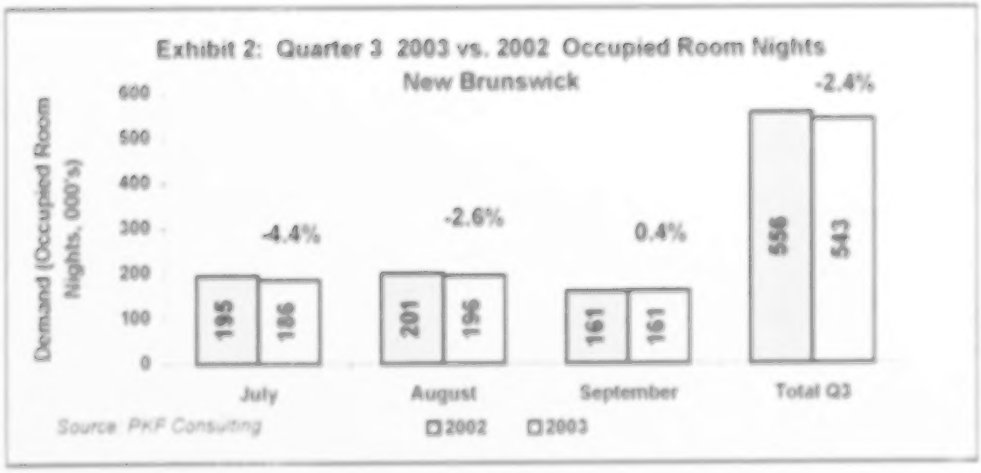
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

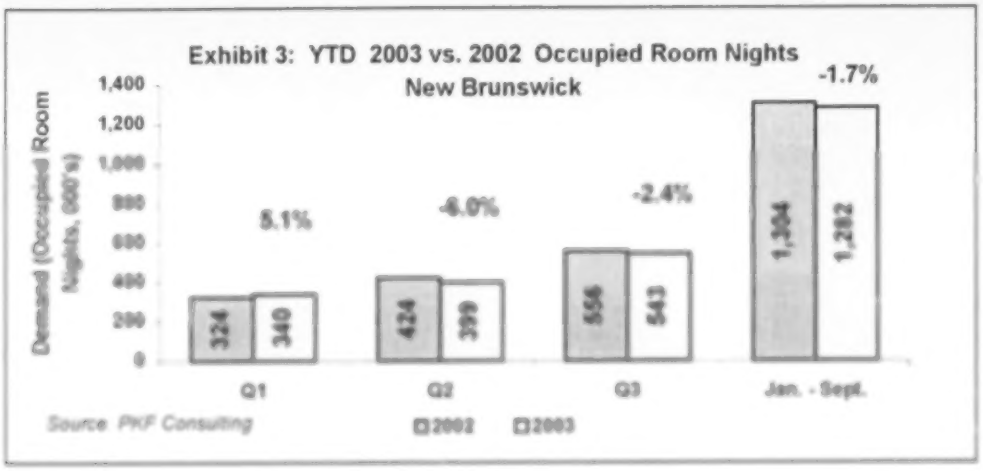
Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Moncton	76%	$105	78%	$104	1%	1%
Other New Brunswick	76%	$102	79%	$102	-4%	1%
Total New Brunswick	**76%**	**$103**	**79%**	**$102**	**-2%**	**1%**

Source: PKF Consulting

- Demand for the New Brunswick accommodation market declined **by approximately 13,100 room nights or 2.4% in Quarter 3 2003**, as compared to the same quarter last year.

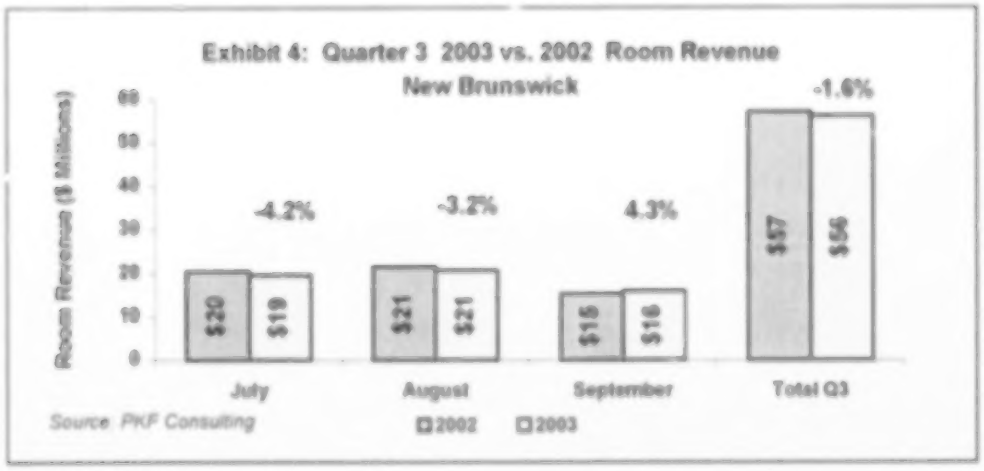
- The erosion in Q2 and Q3 demand during 2003 has narrowed, from a 12.1% decrease in May, to a 3.8% erosion in June, a 4.4% decline in July, a 2.6% fallout in August and a marginal improvement in September (0.4% ahead of last year).





Room Revenue

- New Brunswick's room revenue losses were predominantly felt in the months of May, July and August 2003, with September's room revenues recovering to 2002 levels.
- Overall Quarter 3 room revenue was 1.6% below the same period last year, resulting in a Q3 room revenue loss of $3.2 Million – the same level lost in Quarter 2.



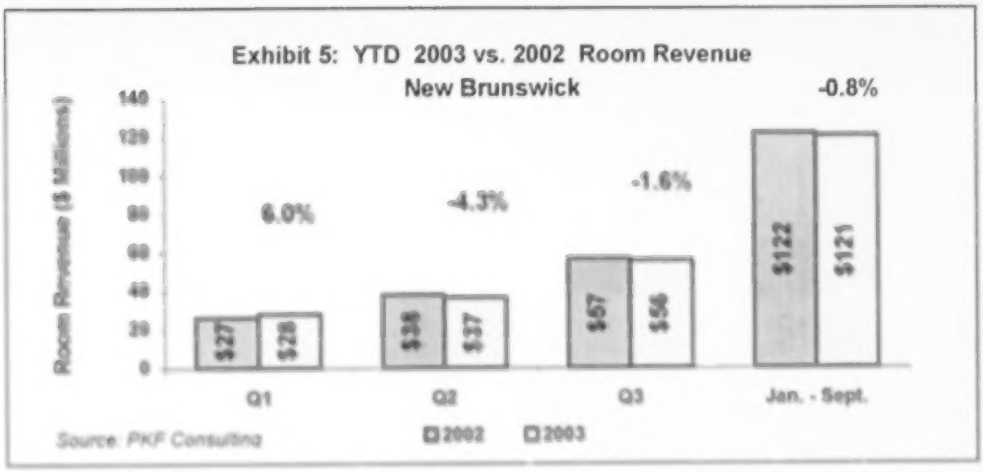


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
New Brunswick
Room Revenue ($ Millions)
140
120
100
80
60
40
20
0
6.0%
-4.3%
-1.6%
-0.8%
$27
$28
$38
$37
$57
$56
$122
$121
Q1
Q2
Q3
Jan. - Sept.
2002
2003
Source: PKF Consulting

NEW BRUNSWICK 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL NEW BRUNSWICK	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	7,620	7,664	7,642	7,664	7,664	7,642	7,657
Available Room Nights	685,800	697,424	1,383,224	237,584	237,584	229,264	704,432
Occupancy	47%	61%	54%	82%	84%	70%	79%
Occupied Room Nights	323,713	423,866	747,579	194,938	200,687	160,553	556,178
Average Daily Rate	$82	$91	$87	$104	$106	$95	$102
Rooms Revenue ($000)	$26,521	$38,381	$64,902	$20,355	$21,333	$15,281	$56,970

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL NEW BRUNSWICK	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	7,709	7,732	7,721	7,780	7,780	7,780	7,780
Available Room Nights	693,810	703,649	1,397,459	241,180	241,180	233,400	715,760
Occupancy (2% Demand Growth)	48%	61%	55%	82%	85%	70%	79%
Occupied Room Nights	330,187	432,343	762,530	198,836	204,701	163,764	567,302
Average Daily Rate (2% Rate Growth)	$84	$92	$89	$107	$108	$97	$104
Rooms Revenue ($000)	$27,593	$39,932	$67,524	$21,178	$22,195	$15,899	$59,271

2003 ACTUAL RESULTS

TOTAL NEW BRUNSWICK	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	7,709	7,732	7,721	7,780	7,780	7,780	7,780
Available Room Nights	693,810	703,649	1,397,459	241,180	241,180	233,400	715,760
Occupancy	49%	57%	53%	77%	81%	69%	76%
Occupied Room Nights	340,067	398,546	738,614	186,336	195,525	161,209	543,070
Average Daily Rate	$83	$92	$88	$105	$106	$99	$103
Rooms Revenue ($000)	$28,108	$36,714	$64,822	$19,491	$20,649	$15,934	$56,074

NEW BRUNSWICK 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL NEW BRUNSWICK	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.2%	0.9%	1.0%	1.5%	1.5%	1.8%	1.6%
Occupancy Points	1.8%	-4.1%	-1.2%	-4.8%	-3.4%	-1.0%	-3.1%
Occupied Room Nights	5.1%	-6.0%	-1.2%	-4.4%	-2.6%	0.4%	-2.4%
Average Daily Rate	0.9%	1.7%	1.1%	0.2%	-0.6%	3.8%	0.8%
Rooms Revenue ($000)	6.0%	-4.3%	-0.1%	-4.2%	-3.2%	4.3%	-1.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL NEW BRUNSWICK	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	1.4%	-4.8%	-1.7%	-5.2%	-3.8%	-1.1%	-3.4%
Occupied Room Nights	3.0%	-7.8%	-3.1%	-6.3%	-4.5%	-1.6%	-4.3%
Average Daily Rate	-1.1%	-0.3%	-0.9%	-1.8%	-2.6%	1.8%	-1.2%
Rooms Revenue ($000)	1.9%	-8.1%	-4.0%	-8.0%	-7.0%	0.2%	-5.4%
Variance to PKF Forecast ($000)	*$515*	*-$3,218*	*-$2,702*	*-$1,687*	*-$1,546*	*$35*	*-$3,197*
Variance to 2002 Actuals ($000)	*$1,587*	*-$1,667*	*-$80*	*-$865*	*-$684*	*$652*	*-$896*

MONCTON 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Moncton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,073	2,073	2,073	2,073	2,073	2,073	2,073
Available Room Nights	186,570	188,643	375,213	64,263	64,263	62,190	190,716
Occupancy	50%	59%	55%	84%	86%	65%	78%
Occupied Room Nights	92,924	111,575	204,500	53,672	55,086	40,647	149,406
Average Daily Rate	$87	$92	$90	$106	$108	$98	$104
Rooms Revenue ($000)	$8,079	$10,286	$18,365	$5,665	$5,943	$3,993	$15,602

2003 PKF OUTLOOK AT JANUARY 1, 2003

Moncton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,073	2,096	2,085	2,144	2,144	2,144	2,144
Available Room Nights	186,570	190,773	377,343	66,464	66,464	64,320	197,248
Occupancy (2% Demand Growth)	51%	60%	55%	82%	85%	64%	77%
Occupied Room Nights	94,783	113,807	208,590	54,746	56,188	41,460	152,394
Average Daily Rate (2% Rate Growth)	$89	$94	$92	$108	$110	$100	$107
Rooms Revenue ($000)	$8,405	$10,701	$19,107	$5,894	$6,183	$4,155	$16,232

2003 ACTUAL RESULTS

Moncton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,073	2,096	2,085	2,144	2,144	2,144	2,144
Available Room Nights	186,570	190,773	377,343	66,464	66,464	64,320	197,248
Occupancy	52%	59%	56%	81%	84%	64%	76%
Occupied Room Nights	97,796	111,936	209,732	53,796	55,783	40,985	150,564
Average Daily Rate	$87	$94	$91	$108	$108	$98	$105
Rooms Revenue ($000)	$8,527	$10,528	$19,055	$5,820	$6,007	$4,027	$15,854

MONCTON 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Moncton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	1.1%	0.6%	3.4%	3.4%	3.4%	3.4%
Occupancy Points	2.6%	-0.5%	1.1%	-2.6%	-1.8%	-1.6%	-2.0%
Occupied Room Nights	5.2%	0.3%	2.6%	0.2%	1.3%	0.8%	0.8%
Average Daily Rate	0.3%	2.0%	1.2%	2.5%	-0.2%	0.0%	0.8%
Rooms Revenue ($000)	5.5%	2.4%	3.8%	2.7%	1.1%	0.9%	1.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

Moncton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	1.6%	-1.0%	0.3%	-1.4%	-0.6%	-0.7%	-0.9%
Occupied Room Nights	3.2%	-1.6%	0.5%	-1.7%	-0.7%	-1.1%	-1.2%
Average Daily Rate	-1.7%	0.0%	-0.8%	0.5%	-2.2%	-1.9%	-1.1%
Rooms Revenue ($000)	1.4%	-1.6%	-0.3%	-1.3%	-2.9%	-3.1%	-2.3%
Variance to PKF Forecast ($000)	*$122*	*-$173*	*-$51*	*-$74*	*-$177*	*-$127*	*-$378*
Variance to 2002 Actuals ($000)	*$448*	*$243*	*$691*	*$155*	*$63*	*$34*	*$252*

OTHER NEW BRUNSWICK 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other New Brunswick	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,547	5,591	5,569	5,591	5,591	5,569	5,584
Available Room Nights	499,230	508,781	1,008,011	173,321	173,321	167,074	513,716
Occupancy	46%	62%	54%	81%	84%	72%	79%
Occupied Room Nights	229,507	313,022	542,529	141,049	145,434	120,594	407,076
Average Daily Rate	$79	$90	$85	$104	$106	$94	$102
Rooms Revenue ($000)	$18,215	$28,116	$46,331	$14,654	$15,352	$11,324	$41,329

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other New Brunswick	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,636	5,636	5,636	5,636	5,636	5,636	5,636
Available Room Nights	507,240	512,876	1,020,116	174,716	174,716	169,080	518,512
Occupancy (2% Demand Growth)	46%	62%	54%	82%	85%	73%	80%
Occupied Room Nights	234,097	319,282	553,379	143,870	148,342	123,006	415,218
Average Daily Rate (2% Rate Growth)	$81	$92	$87	$106	$108	$96	$104
Rooms Revenue ($000)	$18,951	$29,252	$48,203	$15,246	$15,972	$11,781	$42,999

2003 ACTUAL RESULTS

Other New Brunswick	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,636	5,636	5,636	5,636	5,636	5,636	5,636
Available Room Nights	507,240	512,876	1,020,116	174,716	174,716	169,080	518,512
Occupancy	47%	56%	52%	76%	80%	72%	76%
Occupied Room Nights	240,522	285,630	526,152	132,208	139,353	120,960	392,521
Average Daily Rate	$80	$91	$86	$103	$105	$99	$102
Rooms Revenue ($000)	$19,270	$26,042	$45,312	$13,611	$14,579	$11,985	$40,175

OTHER NEW BRUNSWICK 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other New Brunswick	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.6%	0.8%	1.2%	0.8%	0.8%	1.2%	0.9%
Occupancy Points	1.4%	-5.8%	-2.2%	-5.7%	-4.2%	-0.6%	-3.5%
Occupied Room Nights	4.8%	-8.8%	-3.0%	-6.3%	-4.2%	0.3%	-3.6%
Average Daily Rate	0.9%	1.5%	0.8%	-0.9%	-0.9%	5.5%	0.8%
Rooms Revenue ($000)	5.8%	-7.4%	-2.2%	-7.1%	-5.0%	5.8%	-2.8%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other New Brunswick	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	1.3%	-6.6%	-2.7%	-6.7%	-5.1%	-1.2%	-4.4%
Occupied Room Nights	2.7%	-10.5%	-4.9%	-8.1%	-6.1%	-1.7%	-5.5%
Average Daily Rate	-1.0%	-0.5%	-1.1%	-2.8%	-2.8%	3.4%	-1.2%
Rooms Revenue ($000)	1.7%	-11.0%	-6.0%	-10.7%	-8.7%	1.7%	-6.6%
Variance to PKF Forecast ($000)	*$319*	*-$3,209*	*-$2,891*	*-$1,635*	*-$1,393*	*$203*	*-$2,824*
Variance to 2002 Actuals ($000)	*$1,055*	*-$2,074*	*-$1,019*	*-$1,043*	*-$773*	*$661*	*-$1,155*

4.0 QUEBEC PROVINCIAL/MARKET PERFORMANCE

4.1 PROVINCE OF QUEBEC

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Overall, the Province of Quebec's accommodation supply was 56,620 rooms in Quarter 3 2003 – an increase of 80 rooms over the inventory for Quarter 3 2002.

Demand and Rate

- During Quarter 3 2003, the Province of Quebec's hotel market achieved a 71% occupancy at an average daily rate of $139. Occupancy levels were 8 percentage points lower than Quarter 3 of last year, with the average daily rate sliding by $4.

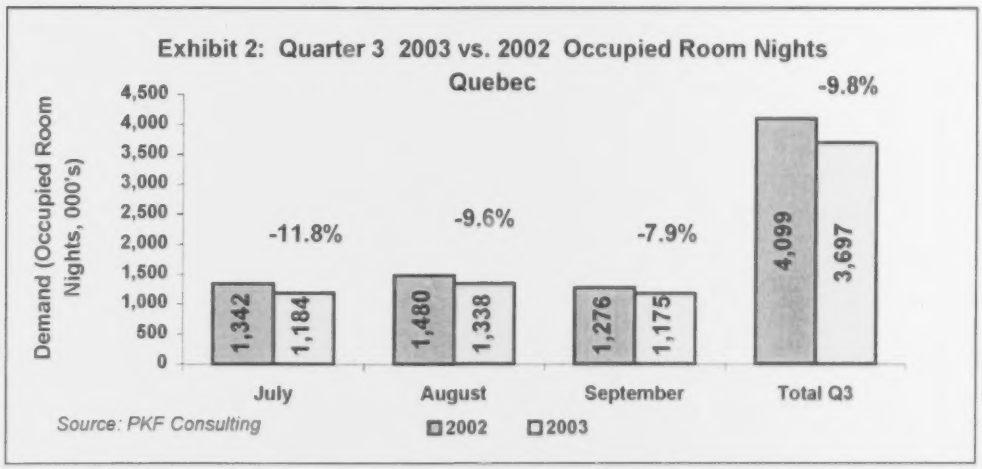
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Montreal - Overall	73%	$139	80%	$142	-9%	-2%
Greater Quebec	73%	$161	85%	$175	-14%	-8%
Other Quebec	66%	$120	72%	$119	-9%	1%
Total Quebec	**71%**	**$139**	**79%**	**$143**	**-10%**	**-3%**

Source: PKF Consulting

- Demand for the Quebec's accommodation market was **down by approximately 401,000 room nights or 9.8% in Quarter 3 2003**, as compared to the third quarter of 2002.

- Demand levels were down each month in the third quarter – July was down by 11.8%, August by 9.6% and September by 7.9%.



- While demand was flat at the end of Quarter 1, Quarter 2 results showed a decline of 7.7%, and Quarter 3 saw another 9.8% decline in demand.

4.0 QUEBEC PROVINCIAL/MARKET PERFORMANCE

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Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003		Quarter 3- 2002		% Change	
	Occ.	ADR	Occ.	ADR	Demand	ADR
Montreal - Overall	73%	$139	80%	$142	-9%	-2%
Greater Quebec	73%	$161	85%	$175	-14%	-8%
Other Quebec	66%	$120	72%	$119	-9%	1%
Total Quebec	**71%**	**$139**	**79%**	**$143**	**-10%**	**-3%**

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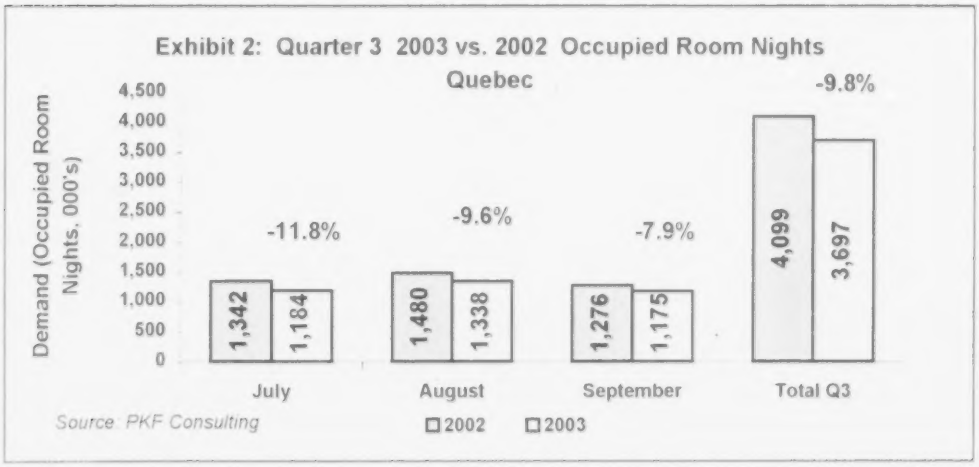

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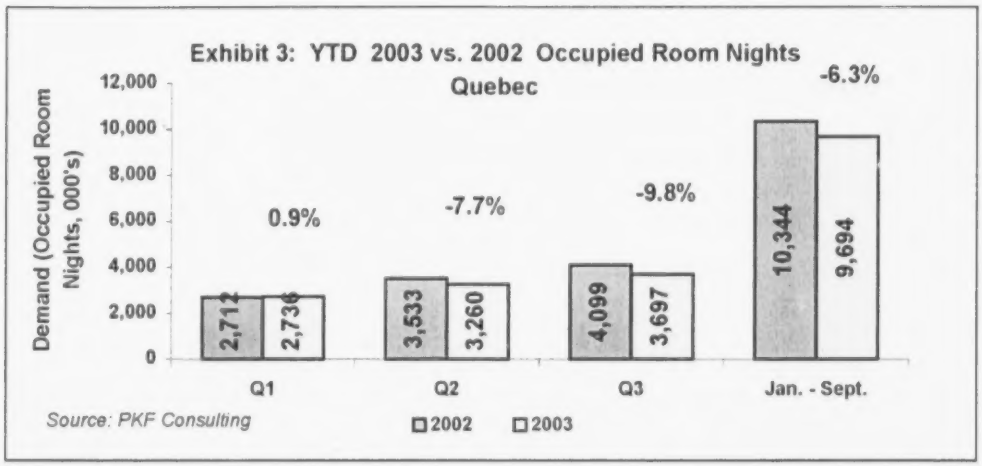
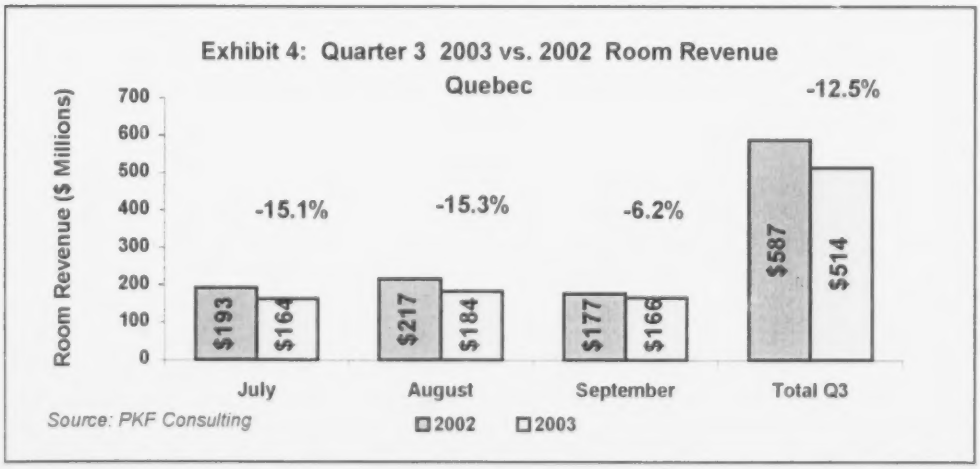


Room Revenue

- Quebec's room revenue declined 15.1% in July, 15.3% in August, and another 6.2% in September.
- Overall, Quarter 3 room revenue for the province was down by $73.3 Million (12.5%) compared to the same period last year. Although the province showed encouraging growth in Quarter 1 by recording a gain of $9.8 Million in room revenue, year-to-date room revenue has fallen behind by almost 8% due to the decline in Quarters 2 and 3. To date, the Quebec accommodation sector has reported a loss of $108 Million as compared to the first 3 Quarters of 2002.



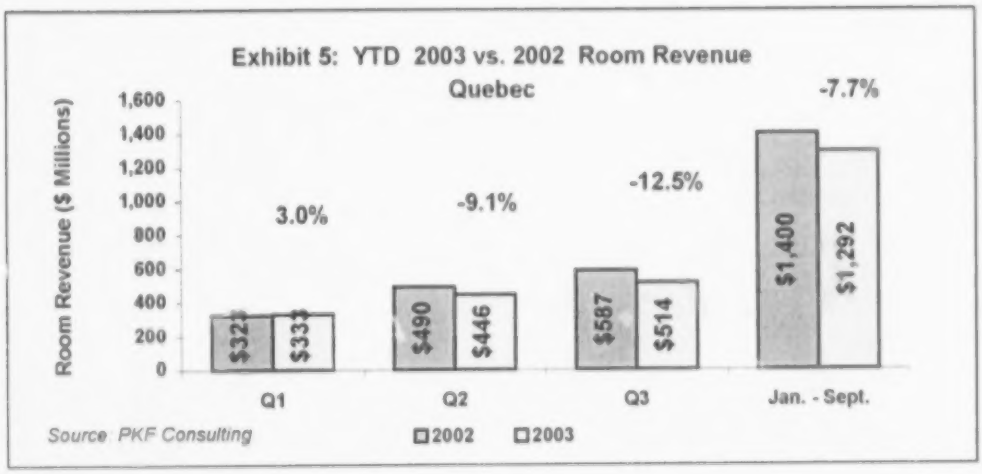


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Quebec
Room Revenue ($ Millions)
1,600
1,400
1,200
1,000
800
600
400
200
0
3.0%
-9.1%
-12.5%
-7.7%
$323
$333
$490
$446
$587
$514
$1,400
$1,292
Q1
Q2
Q3
Jan. - Sept.
Source PKF Consulting
2002
2003

QUEBEC 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Total QUEBEC	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	56,436	56,436	56,436	56,456	56,456	56,714	56,540
Available Room Nights	5,079,240	5,135,676	10,214,916	1,750,136	1,750,136	1,701,420	5,201,692
Occupancy	53%	69%	61%	77%	85%	75%	79%
Occupied Room Nights	2,712,032	3,533,323	6,245,354	1,342,179	1,480,440	1,275,895	4,098,514
Average Daily Rate	$119	$139	$130	$144	$147	$139	$143
Rooms Revenue ($000)	$322,689	$490,390	$813,078	$193,166	$216,973	$177,247	$587,387

2003 PKF OUTLOOK AT JANUARY 1, 2003

Total QUEBEC	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	56,763	56,519	56,640	56,620	56,620	56,620	56,620
Available Room Nights	5,108,670	5,143,194	10,251,864	1,755,220	1,755,220	1,698,600	5,209,040
Occupancy (2.5% Demand Growth)	54%	70%	62%	78%	86%	77%	81%
Occupied Room Nights	2,779,833	3,621,656	6,401,488	1,375,734	1,517,451	1,307,792	4,200,977
Average Daily Rate (2.5% Rate Growth)	$122	$142	$133	$148	$150	$142	$147
Rooms Revenue ($000)	$339,025	$515,216	$854,240	$202,945	$227,958	$186,220	$617,124

2003 ACTUAL RESULTS

Total QUEBEC	1st Quarter	2nd Quarter	2	July	August	September	3rd Quarter
Inventory	56,763	56,519	56,640	56,620	56,620	56,620	56,620
Available Room Nights	5,108,670	5,143,194	10,251,864	1,755,220	1,755,220	1,698,600	5,209,040
Occupancy	54%	63%	58%	67%	76%	69%	71%
Occupied Room Nights	2,736,204	3,260,433	5,996,637	1,183,896	1,337,829	1,175,431	3,697,156
Average Daily Rate	$122	$137	$130	$139	$137	$141	$139
Rooms Revenue ($000)	$332,520	$445,541	$778,060	$164,017	$183,858	$166,171	$514,045

QUEBEC 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Total QUEBEC	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.6%	0.1%	0.4%	0.3%	0.3%	-0.2%	0.1%
Occupancy Points	0.2%	-5.4%	-2.6%	-9.2%	-2.4%	-5.8%	-7.8%
Occupied Room Nights	0.9%	-7.7%	-4.0%	-11.8%	-9.6%	-7.9%	-9.8%
Average Daily Rate	2.1%	-1.5%	-0.3%	-3.7%	-6.2%	1.8%	-3.0%
Rooms Revenue ($000)	3.0%	-9.1%	-4.3%	-15.1%	-15.3%	-6.2%	-12.5%

2003 ACTUAL TO 2003 PKF OUTLOOK

Total QUEBEC	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.9%	-7.0%	-3.9%	-10.9%	-10.2%	-7.8%	-9.7%
Occupied Room Nights	-1.6%	-10.0%	-6.3%	-13.9%	-11.8%	-10.1%	-12.0%
Average Daily Rate	-0.4%	-3.9%	-2.8%	-6.1%	-8.5%	-0.7%	-5.4%
Rooms Revenue ($000)	-1.9%	-13.5%	-8.9%	-19.2%	-19.3%	-10.8%	-16.7%
Variance to PKF Forecast ($000)	*$2*	*-$69,075*	*-$76,180*	*-$38,929*	*-$44,100*	*-$20,050*	*-$103,078*
Variance to 2002 Actuals ($000)	*$9,831*	*-$44,849*	*-$35,018*	*-$29,150*	*-$33,115*	*-$11,077*	*-$73,342*

4.2 GREATER MONTREAL AREA

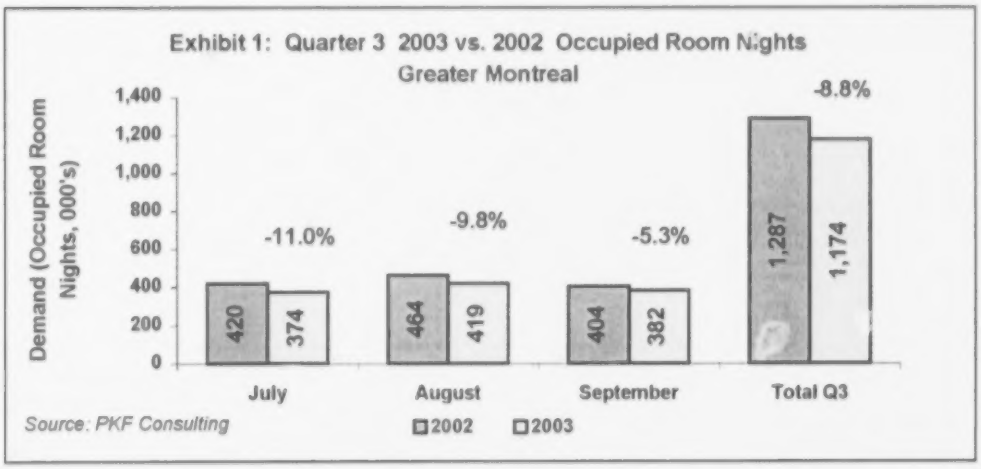
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Greater Montreal Area was 17,433 rooms – a 0.2% decline from the same period in 2002.

Demand

- During Quarter 3, the Greater Montreal hotel market achieved 73% occupancy at an average daily rate of $139.
- Demand for Greater Montreal hotels **decreased by approximately 113,000 room nights or -8.8% in Quarter 3 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry was down by 11.0% in demand in July, 9.8% in August and 5.3% in September. While all months were down, the demand trend is positive for the Greater Montreal market.



- Any marginal gains made by the industry in Quarter 1 (demand levels were up by 2.7%), were quickly eroded in Quarter 2 (down by 10.9% in demand) and Quarter 3 (down by 8.8%). As such, year-to-date results for 2003 are 6.6% below results achieved during the same period in 2002.

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Hotel Supply Inventory

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Demand

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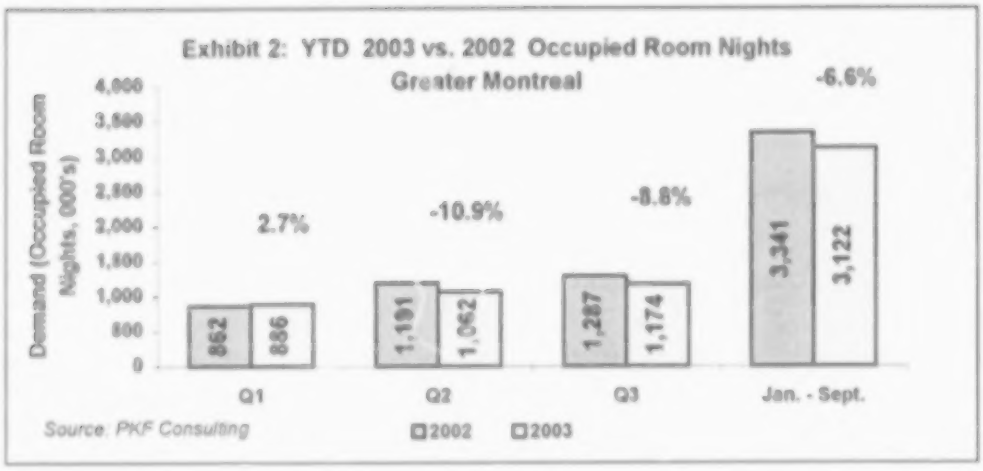
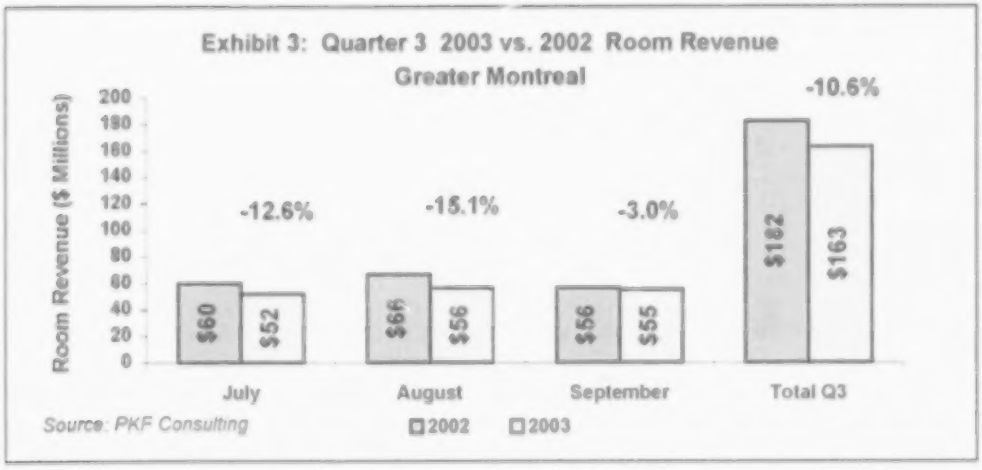
- On a month-to-month basis, the industry was down by 11.0% in demand in July, 9.8% in August and 5.3% in September. While all months were down, the demand trend is positive for the Greater Montreal market.

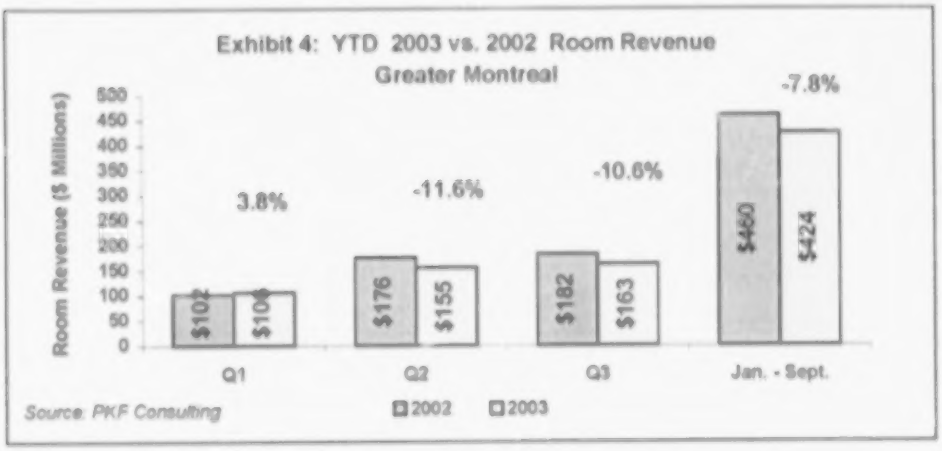
- Any marginal gains made by the industry in Quarter 1 (demand levels were up by 2.7%), were quickly eroded in Quarter 2 (down by 10.9% in demand) and Quarter 3 (down by 8.8%). As such, year-to-date results for 2003 are 6.6% below results achieved during the same period in 2002.



Room Revenue

- Greater Montreal endured a loss of $7.5 Million in room revenue during the month of July, ballooning to a $10.0 Million loss in August, before falling to $1.7 Million in September, as compared to last year's earnings.
- Quarter 3's room revenue was off by $19.2 Million, placing year-to-date revenues $36.0 Million behind the first nine months of 2002 – a decline of 8%.





Budgets and PKF Outlook

- According to our PKF Outlook for the Greater Montreal hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the GMA hotel market was forecast to achieve an 83% occupancy at an average daily rate of $146 in Quarter 3 2003.

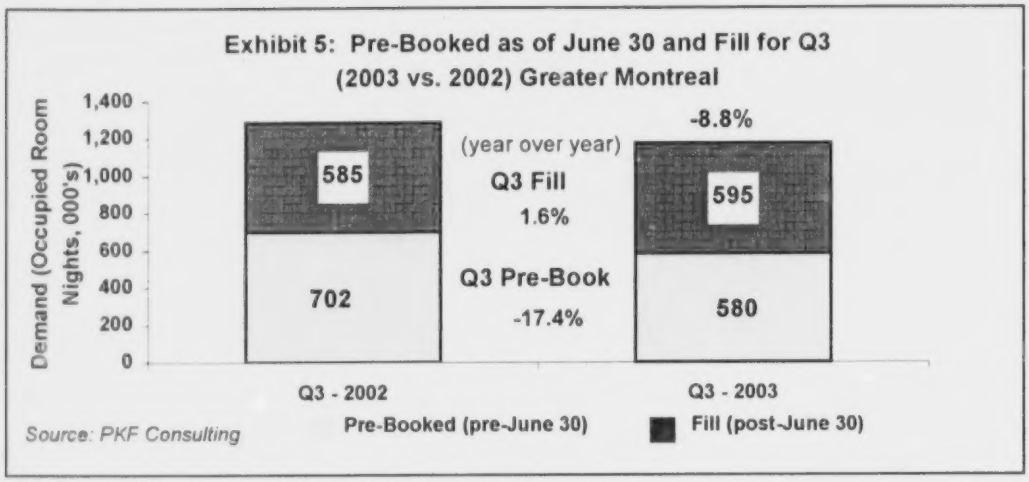
- In preparing their operating budgets at the beginning of the year, Greater Montreal hoteliers were in line with PKF, forecasting a 83% occupancy at a $145 ADR – by the end of the third quarter.

- Based on actual results, the industry missed their budgets by 10 full percentage points in occupancy, and $6 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, 2003 Greater Montreal hoteliers had pre-booked close to 580,000 room nights for the upcoming months of July, August and September – 17% fewer room nights than were pre- booked over the same time frame last year.

- The fill rate for the industry was up by 1.6% this quarter, with 10,000 more room nights sold between July 1 and September 30, than the same period last year.



Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Greater Montreal hotel industry attributed most of their decreased demand in Quarter 3 2003 to economic conditions (32%); geopolitical factors (25%) and SARS (23%).
- The two segments responsible for the largest demand decrease were group leisure travel at 19%, and business travel at 18%. The industry also reported notable declines amongst the other segments including independent leisure travel at 16%, meetings and convention travel at 16% and the government sector at 15%.
- According to hoteliers, approximately 40% of the decline was attributable to a loss of domestic travellers, with a further 37% credited to a loss in the overseas market and 24% to a loss of US travellers.
- Based on the hotel guest's primary mode of transportation used to arrive in Montreal, approximately 48% of the loss in Quarter 3 was attributable to a decline in automobile travel, with a further 39% attributable to a loss in air travellers.

Results by Montreal's SUB-MARKETS

- The Greater Montreal Area is divided into 2 hotel submarkets – Downtown Montreal and the Montreal Airport/Laval area.
- The Downtown Montreal market was hit harder in Quarter 3 than the Airport/Laval market. Downtown hotels were off by 10.8% in demand, while the Montreal Airport/Laval area was down by 4.4% in comparison to the previous year.
- Quarter 3 2003 booking patterns were stronger amongst Montreal Airport/Laval hotel properties, in comparison to, Montreal's downtown hotels. As of June 30th, 2003, downtown hotels pre-booked over 353,000 room nights for the upcoming Quarter 3 – 86,000 fewer than were pre-booked the previous year (20% behind). At the same time, booking patterns amongst Montreal's Airport/Laval hotels were behind by 14%, with over

226,000 room nights booked going into Quarter 3, compared to an estimated 262,000 booked last year.

- Downtown Montreal hotels (representing about 68% of the total Greater Montreal hotel inventory) reported a $17.1 Million loss in room revenues during Quarter 2 with a further $15.9 Million lost in Quarter 3.

- The Montreal Airport/Laval, with an inventory of 5,826 rooms, recorded an estimated loss of $3.3 Million in room revenue during Quarter 3, representing about one-half of the losses report in Quarter 2.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30th, close to 472,000 room nights or **46%** of September, October and December's 2002's business was pre-booked. In comparison, as of September 30, 2003, **468,000 room nights** of business was pre-booked for Quarter 4– which means that this year's pace is in line with last year.

- The first half's booking pattern for Greater Montreal was ahead by 2%, before **Quarter 3's booking pace fell behind by 17%,** with Quarter 4's pace recovering to last year's level.

- Prospects for Quarter 4 2003 are encouraging, with expectations for full recovery.

Exhibit 6: Room Booking Pace (Oct. to Dec. 2003 vs. 2002)
Greater Montreal

Source: PKF Consulting

Q4 - Room Cancellations

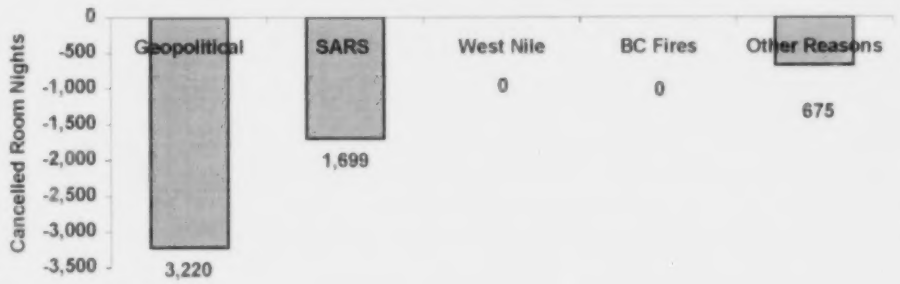
- The Greater Montreal Hotel industry reported an estimated 5,600 room cancellations during Quarter 4, with 3-in-every-4 cancellations occurring as of June 30th.
- According to hotel operators, the vast majority of room cancellations were attributable to geopolitical factors and SARS.
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the Greater Montreal market is estimated at **$711,000**, of which $409,000 or 57% was attributable to geopolitical factors. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: ROOM CANCELLATIONS

GMA Markets	As of June 30th	As of Sept. 30th
Montreal Downtown	1,132	2,374
Montreal Airport/Laval	3,220	3,220
TOTAL GMA	**4,352**	**5,594**
Cancelled Room Nights	457	1,699
Due to SARS	***11%***	***30%***
Cancelled Room Nights	3,220	3 220
Due to Geopolitical Reasons	***74%***	***58%***
Cancelled Room Nights	0	0
Due to West Nile Virus	***0%***	***0%***
Cancelled Room Nights	0	0
Due to BSE	***0%***	***0%***
Cancelled Room Nights	675	675
Due to Other Reasons	***15%***	***12%***

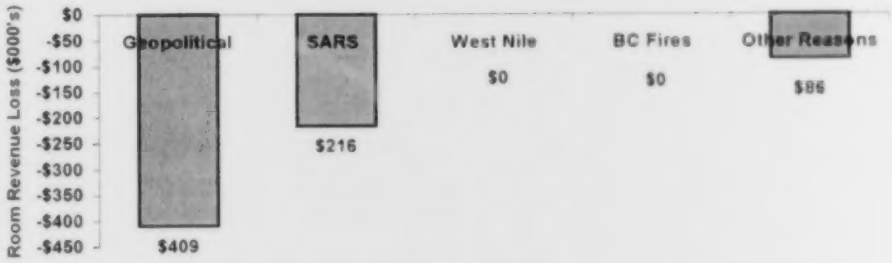
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Greater Montreal



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Greater Montreal



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Greater Montreal

Source: PKF Consulting

MONTREAL - OVERALL

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	17,380	17,380	17,380	17,380	17,380	17,638	17,464	17,687	17,687	17,687	17,687
Available Room Nights	1,564,200	1,581,580	3,145,780	538,780	538,780	529,140	1,606,700	548,297	530,610	548,297	1,627,204
Occupancy	55%	75%	65%	78%	86%	76%	80%	78%	63%	46%	62%
Occupied Room Nights	862,135	1,191,448	2,053,583	419,001	463,841	403,577	1,287,227	426,988	333,392	254,719	1,015,099
Average Daily Rate	$119	$147	$135	$142	$143	$140	$142	$138	$122	$116	$127
Rooms Revenue ($000)	$102,796	$175,602	$277,997	$59,541	$66,357	$56,451	$182,349	$58,886	$40,672	$29,519	$129,077

2003 PKF OUTLOOK AT JANUARY 1, 2003

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	17,587	17,433	17,559	17,390	17,455	17,455	17,433	17,607	17,607	17,607	17,607
Available Room Nights	1,591,830	1,588,378	3,178,208	539,090	541,105	523,650	1,603,845	545,817	528,210	545,817	1,619,844
Occupancy	56%	77%	67%	80%	88%	79%	83%	81%	65%	48%	65%
Occupied Room Nights	887,999	1,227,192	2,115,191	432,404	477,756	415,684	1,325,844	439,798	343,393	262,361	1,045,552
Average Daily Rate	$122	$152	$136	$146	$147	$144	$146	$142	$126	$119	$137
Rooms Revenue ($000)	$108,526	$186,296	$294,822	$63,227	$70,345	$59,884	$193,456	$62,472	$43,149	$31,317	$136,933

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	17,587	17,433	17,559	17,390	17,455	17,455	17,433	17,607	17,607	17,607	17,607
Available Room Nights	1,591,830	1,588,378	3,178,208	539,090	541,105	523,650	1,603,845	545,817	528,210	545,817	1,619,844
Occupancy	57%	76%	66%	77%	88%	84%	83%	81%	64%	50%	65%
Occupied Room Nights	909,682	1,201,153	2,110,835	412,731	474,056	441,181	1,327,968	442,717	336,938	273,749	1,053,404
Average Daily Rate	$120	$150	$137	$143	$146	$146	$145	$145	$130	$121	$134
Rooms Revenue ($000)	$109,055	$179,894	$288,949	$59,091	$69,001	$64,250	$192,343	$64,232	$43,870	$33,113	$141,215

2003 ACTUAL RESULTS

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	17,587	17,433	17,559	17,390	17,455	17,455	17,433	17,607	17,607	17,607	17,607
Available Room Nights	1,591,830	1,588,378	3,178,208	539,090	541,105	523,650	1,603,845	545,817	528,210	545,817	1,619,844
Occupancy	55.6%	67%	61%	69%	77%	73%	73%	0%	0%	0%	0%
Occupied Room Nights	885,589	1,081,917	1,947,407	373,651	418,605	382,014	1,174,280	0	0	0	0
Average Daily Rate	$120	$146	$134	$139	$134	$143	$139	$0	$0	$0	$0
Rooms Revenue ($000)	$106,175	$155,168	$261,343	$52,077	$56,273	$54,747	$163,097	$0	$0	$0	$0

BOOKING PATTERNS

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	219,680	479,290	698,971	290,347	213,028	198,661	702,036	277,925	137,879	56,173	471,977
% Of Rooms Sold	25%	40%	34%	59%	46%	49%	55%	65%	41%	22%	46%
2003 BOOKINGS	213,931	496,631	712,563	231,612	174,381	173,622	579,615	261,919	144,711	61,583	468,213
% Of Rooms Sold	24%	47%	37%	62%	42%	45%	43%				
2002/2003 VARIANCE	-3%	4%	2%	20%	-15%	-13%	-12%	-5%	5%	10%	-3%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	1.8%	0.3%	1.0%	0.1%	0.4%	1.0%	-0.2%	-0.5%	0.5%	0.5%	0.5%
Occupancy Points	0.5%	-8.4%	-4.0%	-8.6%	-8.7%	-3.3%	-6.9%	-77.9%	-62.8%	-45.5%	-62.4%
Occupied Room Nights	2.7%	-10.9%	-5.2%	-11.0%	-9.8%	-5.3%	-8.8%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	1.0%	-0.8%	-0.6%	1.8%	-6.0%	2.5%	-2.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	3.9%	-11.6%	-6.0%	12.5%	-15.1%	3.0%	-10.5%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-0.2%	-10.4%	-5.3%	-10.9%	-10.9%	-6.4%	-9.5%	-80.6%	-65.0%	-48.1%	-64.5%
Occupied Room Nights	-0.3%	-13.5%	-7.9%	-13.6%	-12.4%	-8.1%	-11.4%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-1.9%	-3.7%	-2.7%	-4.7%	-8.1%	-0.5%	-4.6%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-2.2%	-15.7%	-11.4%	-17.6%	-20.0%	-8.6%	-15.7%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

MONTREAL - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-1.5%	-8.8%	-5.1%	-7.2%	-10.2%	-11.3%	-9.6%	-81.1%	-63.8%	-50.2%	-65.0%
Occupied Room Nights	-2.6%	-11.6%	-7.7%	-9.5%	-11.7%	-13.4%	-11.6%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.0%	-2.4%	-2.0%	-2.7%	-7.6%	-1.6%	-4.1%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-2.6%	-13.7%	-9.5%	-11.9%	-18.4%	-14.8%	-15.2%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(96,401)	Total	100%	(96,401)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(96,401)	Total	100%	(96,401)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	42,677	Total	100%	4,352
% Of 2002 Total	3%	$ 6,046,599	% Of 2002 Total	0%	$ 553,391

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

MONTH OF JULY	Variance to PKF Forecast ($000)	-611,143
	Variance to 2002 Actuals ($000)	-67,314
MONTH OF AUG	Variance to PKF Forecast ($000)	-614,873
	Variance to 2002 Actuals ($000)	-610,635
MONTH OF SEPT	Variance to PKF Forecast ($000)	-53,141
	Variance to 2002 Actuals ($000)	-61,703

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(112,847)	Total	100%	(112,847)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(112,847)	Total	117%	(112,847)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
Total	100%	1,242
% Of 2002 Total	0.001223256	$ 157,895

		Q4 Potential
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		[illegible]

MONTREAL - DOWNTOWN

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,759	11,759	11,759	11,759	11,759	12,017	11,843	12,066	12,066	12,066	12,066
Available Room Nights	1,058,210	1,070,969	2,129,179	364,529	364,529	388,510	1,089,568	374,046	361,980	374,046	1,110,072
Occupancy	53%	77%	65%	79%	89%	76%	83%	80%	53%	44%	62%
Occupied Room Nights	560,529	821,341	1,382,269	287,030	314,333	275,249	876,613	299,611	191,323	165,326	662,263
Average Daily Rate	$120	$160	$140	$159	$160	$159	$158	$154	$155	$127	$146
Rooms Revenue ($000)	$67,608	$131,456	$199,064	$45,646	$50,141	$42,967	$138,753	$46,059	$30,126	$20,964	$97,149

2003 PKF OUTLOOK AT JANUARY 1, 2003

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	12,066	11,759	11,911	11,607	11,607	11,607	11,607	11,759	11,759	11,759	11,759
Available Room Nights	1,081,940	1,070,007	2,155,947	359,817	359,817	348,210	1,067,844	364,529	352,770	364,529	1,081,828
Occupancy	53%	79%	66%	82%	90%	81%	85%	85%	65%	47%	65%
Occupied Room Nights	577,758	845,962	1,423,737	295,847	323,783	283,507	902,911	309,599	229,143	170,249	713,030
Average Daily Rate	$131	$158	$153	$164	$164	$160	$163	$150	$130	$131	$145
Rooms Revenue ($000)	$75,969	$132,115	$233,083	$48,423	$53,198	$45,470	$147,087	$46,556	$31,955	$22,246	$103,255

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	12,066	11,759	11,911	11,607	11,607	11,607	11,607	11,759	11,759	11,759	11,759
Available Room Nights	1,081,940	1,070,007	2,155,947	359,817	359,817	348,210	1,067,844	364,529	352,770	364,529	1,081,828
Occupancy	54%	76%	65%	78%	89%	98%	95%	84%	64%	49%	65%
Occupied Room Nights	582,997	814,395	1,397,393	280,350	319,067	336,375	905,802	307,152	226,071	178,959	712,181
Average Daily Rate	$130	$157	$151	$161	$163	$162	$162	$163	$145	$134	$153
Rooms Revenue ($000)	$75,779	$128,106	$211,885	$45,153	$51,838	$49,609	$146,400	$50,035	$32,596	$23,916	$106,647

2003 ACTUAL RESULTS

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	12,066	11,759	11,911	11,607	11,607	11,607	11,607	11,759	11,759	11,759	11,759
Available Room Nights	1,081,940	1,070,007	2,155,947	359,817	359,817	348,210	1,067,844	364,529	352,770	364,529	1,081,828
Occupancy	53.3%	69%	61%	69%	77%	73%	73%	0%	0%	0%	0%
Occupied Room Nights	576,565	737,125	1,313,688	249,245	277,563	254,620	781,628	0	0	0	0
Average Daily Rate	$130	$162	$146	$157	$151	$163	$157	$0	$0	$0	$0
Rooms Revenue ($000)	$75,094	$119,653	$194,748	$39,251	$41,940	$41,540	$122,731	$0	$0	$0	$0

BOOKING PATTERNS

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	93,477	305,380	398,858	193,590	133,566	122,619	449,775	171,526	77,356	21,953	270,835
% Of Rooms Sold	17%	37%	29%	64%	42%	45%	50%	57%	34%	13%	33%
2003 BOOKINGS	112,515	325,962	438,479	155,714	125,760	91,945	353,420	175,858	78,906	21,859	271,625
% Of Rooms Sold	19%	44%	33%	62%	36%	36%	45%				
2002/2003 VARIANCE	2%	7%	12%	-1%	21%	-9%	2%	2%	2%	2%	2%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2.5%	0.0%	1.3%	1.3%	1.3%	-3.4%	-2.0%	2.5%	2.5%	2.5%	2.5%
Occupancy Points	0.3%	-7.9%	-3.9%	-9.5%	-9.1%	-3.2%	-7.3%	-80.1%	-52.8%	-44.2%	-62.4%
Occupied Room Nights	3.1%	-10.3%	-4.6%	-13.2%	-11.7%	-7.4%	-10.8%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	1.7%	-0.5%	-0.5%	1.0%	5.3%	4.7%	0.7%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	8.8%	-10.7%	-5.3%	-14.0%	-16.4%	-5.1%	-11.5%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-0.1%	-10.2%	-5.0%	-12.8%	-12.8%	-8.2%	-11.4%	-84.7%	-58.4%	-46.1%	-65.9%
Occupied Room Nights	-3.1%	-12.9%	-7.6%	-15.7%	-14.3%	-10.1%	-13.4%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-1.3%	-3.4%	-2.0%	-3.9%	-8.0%	-1.6%	-3.6%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-1.2%	-15.6%	-10.1%	-16.2%	-21.2%	-8.6%	-16.6%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

MONTREAL - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-0.4%	-7.2%	-3.8%	-9.0%	-11.5%	-14.8%	-11.5%	-84.3%	-64.1%	-49.1%	-65.8%
Occupied Room Nights	0.0%	-9.5%	-5.0%	-11.1%	-13.0%	-16.8%	-13.7%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-0.1%	-2.6%	-2.2%	-2.2%	-6.8%	0.7%	-2.8%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-0.9%	-11.3%	-7.3%	-13.1%	-19.0%	-16.3%	-16.3%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	7%	(5,767)	Business Travel	22%	(18,517)
Increased Competition	12%	(9,780)	Independent Leisure Travel	24%	(20,248)
Geopolitical	19%	(15,300)	Group Leisure	29%	(25,028)
SARS	57%	(47,934)	Meetings/Convention Travel	26%	(19,953)
Weed Nos	0%	(270)	Government	1%	(870)
Red Cow	0%	(270)	Other	4%	(3,562)
Other	5%	(4,677)			
Total	100%	($4,219)	**Total**	100%	($4,219)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	15%	(13,033)	Air	23%	(19,825)
UK Travel	53%	(44,780)	Automobile	39%	(33,743)
European Travel	31%	(25,437)	Motorcoach	12%	(10,066)
			Other	26%	(22,023)
Total	100%	($4,219)	**Total**	100%	($4,219)

Q3 CANCELLATIONS	%	ORN
Geopolitical	14%	3,410
SARS	16%	13,951
Weed Nos	0%	
Red Cow	0%	75
Other	27%	6,599
Total	100%	24,037
% Of 2002 Total	3%	$ 3,801,984

Q4 CANCELLATIONS	%	ORN
Geopolitical	0%	
SARS	40%	451
Weed Nos	0%	
Red Cow	0%	
Other	60%	671
Total	100%	1,123
% Of 2002 Total	0%	$ 158,914

	Q3 Potential	Q4 Potential
Geopolitical	$526,30	$0
SARS	$1,109,350	$94,123
Weed Nos	$0	$0
Red Cow	$11,063	$0
Other	$1,943,227	$64,791
	$3,801,984	$158,914

MONTH OF JULY	*Variance to PKF Forecast ($000)*	*-89,172*
	Variance to 2002 Actuals ($000)	*-89,782*
MONTH OF AUG	*Variance to PKF Forecast ($000)*	*-101,236*
	Variance to 2002 Actuals ($000)	*-48,203*
MONTH OF SEPT	*Variance to PKF Forecast ($000)*	*-43,922*
	Variance to 2002 Actuals ($000)	*-41,371*

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	5%	(2,161)	Business Travel	23%	(23,517)
Increased Competition	3%	(1,100)	Independent Leisure Travel	23%	(23,478)
Geopolitical	34%	(34,233)	Group Leisure	27%	(28,008)
SARS	24%	(21,404)	Meetings/Convention Travel	17%	(15,709)
Weed Nos	3%		Government	1%	(1,000)
Red Cow	0%		Other	7%	(7,191)
Other	15%	(12,170)			
Total	100%	($4,986)	**Total**	100%	($4,986)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	7%	(6,301)	Air	27%	(26,913)
UK Travel	59%	(55,520)	Automobile	35%	(35,287)
European Travel	31%	(31,165)	Motorcoach	12%	(10,591)
			Other	26%	(22,213)
Total	100%	($4,986)	**Total**	100%	($4,986)

Q4 CANCELLATIONS	%	ORN
Geopolitical	0%	
SARS	100%	1,243
Weed Nos	0%	
Red Cow	0%	
Other	0%	
Total	100%	1,243
% Of 2002 Total	0%	$ 174,249

	Q4 Potential
Geopolitical	$0
SARS	$174,249
Weed Nos	$0
Red Cow	$0
Other	$0
	$174,249

MONTREAL - Airport/Laval

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621
Available Room Nights	505,990	511,511	1,017,401	174,251	174,251	168,630	517,132	174,251	168,630	174,251	517,132
Occupancy	62%	72%	66%	75%	85%	75%	79%	73%	63%	51%	62%
Occupied Room Nights	301,207	373,107	671,314	132,779	149,507	126,523	410,814	127,377	106,088	89,397	322,862
Average Daily Rate	$102	$113	$108	$106	$106	$108	$108	$101	$96	$96	$98
Rooms Revenue ($000)	$30,648	$41,549	$72,197	$13,96	$15,789	$13,58	$43,429	$12,877	$10,194	$8,558	$31,629

2003 PKF OUTLOOK AT JANUARY 1, 2003

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,621	5,674	5,648	5,793	5,648	5,648	5,626	5,648	5,648	5,648	5,596
Available Room Nights	505,990	516,371	1,022,261	179,273	181,288	175,440	536,001	181,288	175,440	181,288	538,016
Occupancy	61%	74%	68%	75%	85%	75%	79%	73%	62%	51%	62%
Occupied Room Nights	310,243	381,210	691,453	136,763	153,993	132,177	422,932	131,169	109,250	92,072	332,522
Average Daily Rate	$105	$115	$111	$106	$111	$106	$110	$106	$102	$96	$102
Rooms Revenue ($000)	$32,558	$44,108	$76,74	$14,70	$17,188	$14,07	$46,059	$13,933	$11,14	$8,877	$33,977

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,621	5,674	5,648	5,793	5,648	5,648	5,626	5,648	5,648	5,648	5,596
Available Room Nights	505,990	516,371	1,022,261	179,273	181,288	175,440	536,001	181,288	175,440	181,288	538,016
Occupancy	65%	75%	70%	74%	85%	77%	79%	75%	63%	52%	63%
Occupied Room Nights	326,685	388,758	713,443	132,571	154,389	134,907	422,167	135,951	110,547	94,760	341,223
Average Daily Rate	$103	$114	$109	$106	$112	$109	$109	$105	$101	$97	$103
Rooms Revenue ($000)	$33,279	$44,189	$77,469	$13,936	$17,353	$14,687	$45,36	$14,163	$11,175	$9,194	$34,532

2003 ACTUAL RESULTS

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,621	5,674	5,648	5,793	5,648	5,648	5,626	5,648	5,648	5,648	5,648
Available Room Nights	505,990	516,371	1,022,261	179,273	181,288	175,440	536,001	181,288	175,440	181,288	538,016
Occupancy	60.7%	53%	62%	69%	79%	73%	73%	0%	0%	0%	0%
Occupied Room Nights	307,025	324,695	631,719	124,610	141,642	127,194	392,852	0	0	0	0
Average Daily Rate	$101	$109	$105	$103	$103	$104	$103	$0	$0	$0	$0
Rooms Revenue ($000)	$31,061	$35,526	$66,53	$12,829	$14,533	$13,207	$40,39	$0	$0	$0	$0

BOOKING PATTERNS

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	126,203	173,910	300,113	108,757	78,482	75,942	262,261	106,164	60,523	34,215	201,181
% Of Rooms Sold	42%	47%	45%	60%	53%	52%	54%	58%	57%	39%	52%
2003 BOOKINGS	101,415	172,729	274,144	75,898	58,521	81,776	226,296	91,120	65,802	39,835	196,757
% Of Rooms Sold	33%	53%	43%	61%	43%	54%	58%				
2002/2003 VARIANCE	-20%	-1%	-3%	-20%	-18%	2%	14%	-15%	2%	-19%	-2%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	1.0%	0.5%	2.9%	4.0%	4.0%	3.0%	4.0%	4.0%	4.0%	4.0%
Occupancy Points	1.1%	-9.5%	-4.2%	-6.8%	8.0%	-3.0%	6.1%	73.1%	-62.4%	-51.3%	-62.4%
Occupied Room Nights	1.9%	-12.8%	-5.9%	-8.3%	-5.7%	-0.9%	-4.6%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-0.6%	-2.6%	-2.2%	-1.9%	-6.0%	-1.9%	-3.4%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	1.3%	-14.7%	-7.9%	-8.3%	-11.3%	-2.9%	-7.6%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-0.6%	-10.9%	-5.8%	-5.9%	-7.1%	-2.9%	-5.9%	-72.9%	-62.2%	-50.9%	-61.9%
Occupied Room Nights	-1.0%	-14.8%	-8.6%	-8.0%	-8.6%	-3.9%	-7.2%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-3.5%	-5.7%	-5.0%	-4.7%	-5.7%	-4.9%	-6.2%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-4.5%	-19.6%	-13.2%	-11.3%	-15.6%	-9.4%	-12.0%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

MONTREAL - Airport/Laval	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	3.9%	-12.0%	-8.0%	-4.9%	-7.7%	-4.3%	-5.9%	-74.9%	-63.2%	-52.3%	-63.4%
Occupied Room Nights	-5.0%	-16.0%	-11.5%	-6.0%	-8.0%	-5.6%	-7.1%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-0.0%	-4.3%	-2.9%	-2.1%	-8.3%	-4.4%	-5.5%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-6.5%	-19.7%	-14.0%	-8.0%	-17.0%	-9.8%	-12.1%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(12,183)	Total	100%	(12,183)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(12,183)	Total	100%	(12,183)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	18,639	Total	100%	3,220
% Of 2002 Total	5%	$ 1,893,501	% Of 2002 Total	1%	$ 318,471

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	0	0
[illegible]	0	0
[illegible]	[illegible]	[illegible]
	$1,893,501	$318,471

MONTH OF JULY	Variance to PHF Forecast ($000)	-01,871
	Variance to 2002 Actuals ($000)	-01,121
MONTH OF AUG	Variance to PHF Forecast ($000)	-02,016
	Variance to 2002 Actuals ($000)	-01,632
MONTH OF SEPT	Variance to PHF Forecast ($000)	-01,399
	Variance to 2002 Actuals ($000)	-0,502

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(17,863)	Total	100%	(17,863)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(17,863)	Total	147%	(17,863)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	
Total	0%	0
% Of 2002 Total	0%	$ 0
		Q4 Potential
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		[illegible]

4.3 GREATER QUEBEC CITY

QUARTER 3 2003: RESULTS

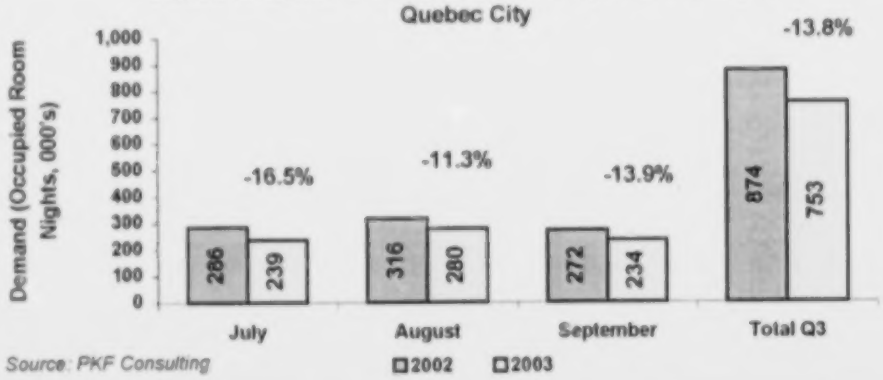
Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Quebec City hotel market was 11,264 rooms – an increase of 124 rooms over the average inventory for Quarter 3 2002.

Demand

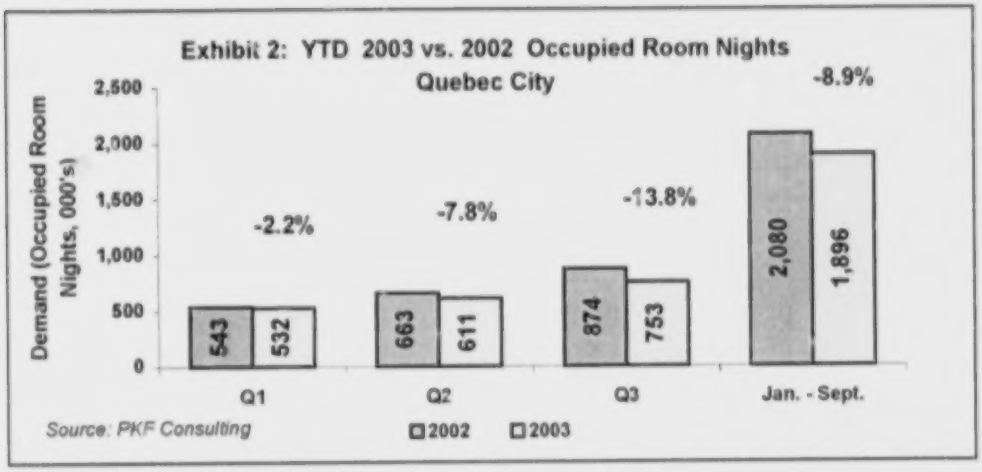
- During Quarter 3, the Quebec City hotel market achieved a 73% occupancy and an average daily rate of $161.
- Demand for Quebec City hotels **decreased by approximately 121,000 room nights or 13.8% in Quarter 3 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry was down by 16.5% in demand in July, followed by a decline of 11.3% in August and a further decline of 13.9% in September.

Exhibit 1: Quarter 3 2003 vs. 2002 Occupied Room Nights



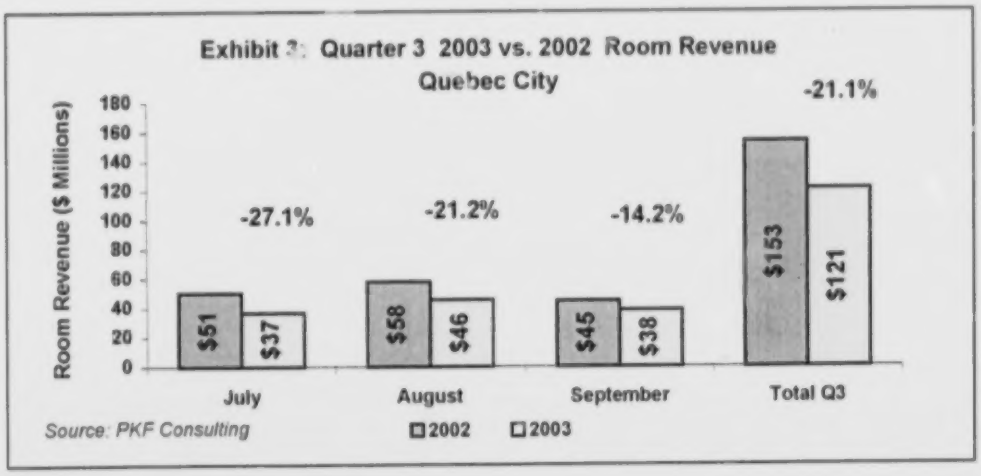
Source: PKF Consulting

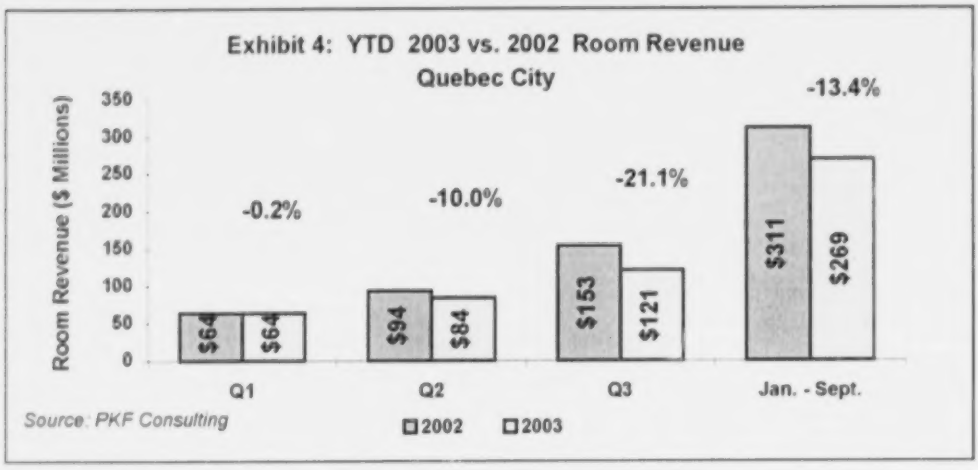
- Quebec City's Quarter 1 demand levels were down by 2.2%, and then more than tripled to a decline of 7.8% in Quarter 2, with demand levels decreasing further in Quarter 3 by 13.8%.



Room Revenue

- Quebec City endured a loss of $13.7 Million in room revenue during the month of July, a loss of $12.2 Million in August, and improving to a loss of $6.3 Million in September, in comparison to last year.
- With consistent losses each month, Quarter 3 room revenue was 21% below last year – a loss of $32.3 Million.





Budgets and PKF Outlook

- According to our PKF Outlook for the Quebec City hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the market was forecast to achieve an 86% occupancy at an average daily rate of $181 in Quarter 3 2003.

- In preparing their operating budgets at the beginning of the year, Quebec City hoteliers expected to achieve similar occupancy results to the PKF Outlook – 85% occupancy at a lower ADR of $175 – by the end of the third quarter.

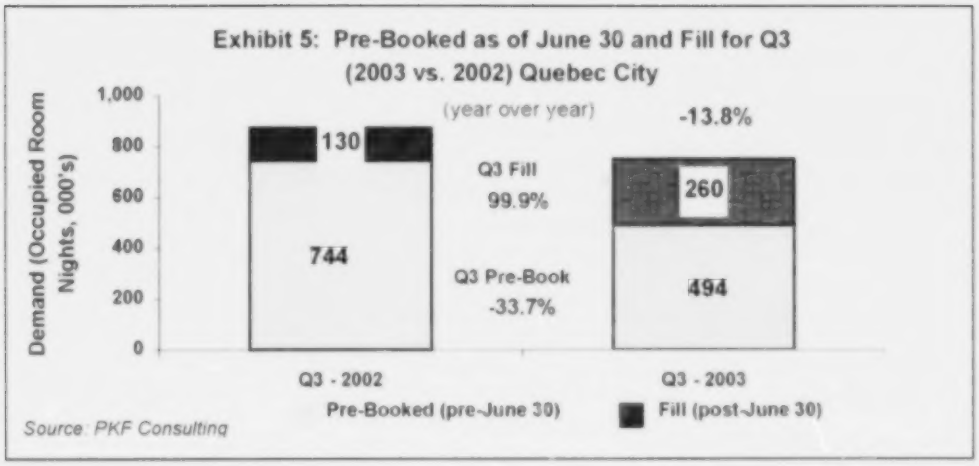
- Based on actual results, the industry missed their budgets by 12 percentage points in occupancy, and by $14 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, hoteliers had pre-booked close to 494,000 room nights for the upcoming months of July, August and September – almost 251,000 less room nights than were pre-booked over the same time frame last year.

- The fill rate for the industry was doubled this quarter, with 130,000 more room nights sold between July 1 and September 30, than the same period last year.

- Despite a significantly higher fill rate, the fact that pre-booked business was down by 34% in Quarter 3 compared to the same period in 2002, resulted in lower demand levels during Quarter 3 2003.



Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

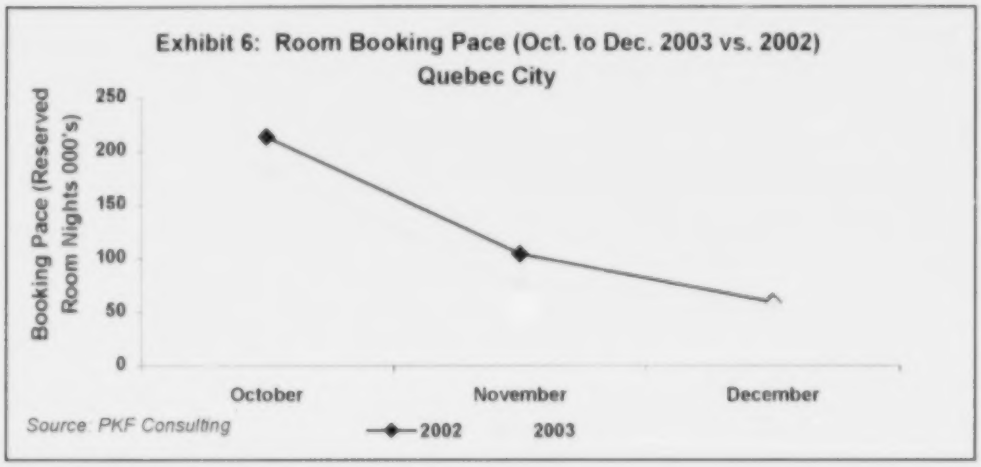
- The Quebec City hotel industry attributed most of their decreased demand in Quarter 3 2003 to other factors (49%), followed by SARS (29%) and geopolitical factors (11%).
- The segment responsible for the largest demand decrease was group leisure travel at 42% with independent travel second at 26%, and meetings / conventions third at 24%.
- The industry reported a decline in US travel as the main reason for the loss in business at 63% and a drop in overseas travel at 32%.
- Based on the hotel guest's primary mode of transportation used to arrive in Quebec City, approximately 54% of the loss in Quarter 3 was attributable to a decline in automobile traffic, 26% attributable to a decline in motorcoach traffic, and 21% attributable to a loss in airline travellers.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30 2002, 375,700 room nights or **66%** of October, November and December 2002's business was pre-booked. In comparison, as of September 30, 2003, **313,560 room nights** of business was pre-booked for Quarter 4– which means that close to **62,000 fewer room nights were pre-booked in Quarter 4 2003** as compared to the same period in 2002.
- This year's **Quarter 4 booking pace is down by 17%** in comparison to last year.

- Looking ahead to Quarter 4, we see less bookings compared to 2002, but an improvement compared to Quarter 3 where the booking pace was down by 34%.



Q4 - Room Cancellations

- The Greater Quebec City hotel industry reported close to 28,000 room cancellations during Quarter 4 2003. This represents 5% of last year's overall Quarter 4 demand results.

- According to hotel operators, 78% of the cancellations can be attributable to SARS.

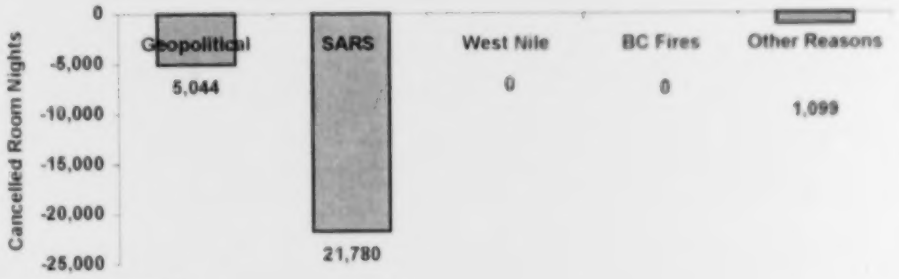
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the Quebec City market is estimated at **$3.7 Million**, $2.9 Million of which **was attributable to SARS**. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7:
QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th
Greater Quebec City	26,468	27,923
Cancelled Room Nights	20,325	21780
Due to SARS	***77%***	***78%***
Cancelled Room Nights	5,044	5,044
Due to Geopolitical Reasons	***19%***	***18%***
Cancelled Room Nights	0	0
Due to West Nile Virus	***0%***	***0%***
Cancelled Room Nights	225	225
Due to BSE	***1%***	***1%***
Cancelled Room Nights	874	874
Due to Other Reasons	***3%***	***3%***

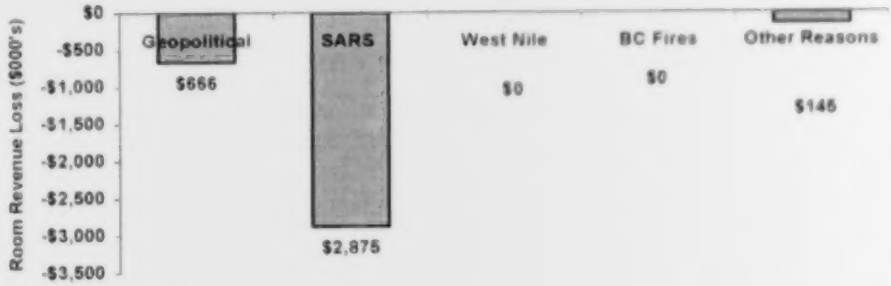
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Quebec City



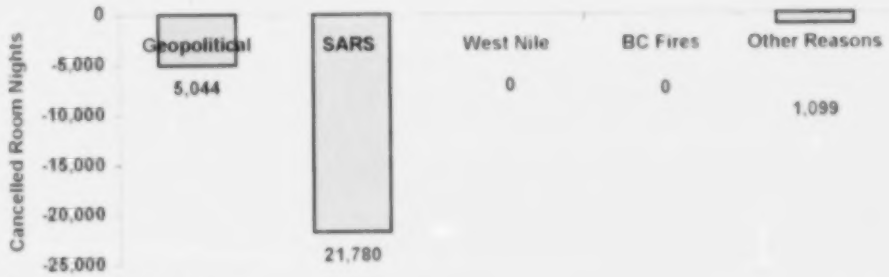
Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Quebec City



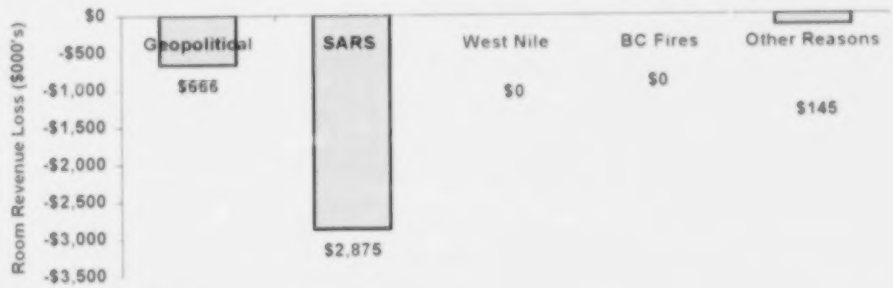
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Quebec City



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Quebec City



Source: PKF Consulting

Quebec City

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,140	11,140	11,140	11,140	11,140	11,140	11,140	11,140	11,140	11,140	11,140
Available Room Nights	1,002,600	1,013,740	2,016,340	345,340	345,340	334,200	1,024,880	345,340	334,200	345,340	1,024,880
Occupancy	54%	61%	57%	93%	92%	81%	85%	71%	52%	43%	55%
Occupied Room Nights	543,411	662,746	1,206,176	266,460	315,995	271,934	874,250	246,191	173,116	147,460	565,767
Average Daily Rate	$118	$141	$131	$175	$163	$166	$175	$152	$112	$125	$133
Rooms Revenue ($000)	$64,127	$93,577	$157,946	$50,583	$51,473	$44,973	$153,274	$37,133	$19,473	$18,080	$74,687

2003 PKF OUTLOOK AT JANUARY 1, 2003

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,140	11,140	11,140	11,264	11,264	11,264	11,264	11,264	11,264	11,264	11,264
Available Room Nights	1,002,600	1,013,740	2,016,340	349,184	349,184	337,920	1,036,288	349,184	337,920	349,184	1,036,288
Occupancy (+ 2.0%)	56%	63%	61%	94%	93%	82%	85%	72%	53%	43%	56%
Occupied Room Nights	557,017	679,315	1,236,332	293,621	323,695	278,394	895,901	251,321	177,443	151,147	579,911
Average Daily Rate (+2.0%)	$121	$145	$135	$182	$169	$170	$181	$156	$116	$129	$138
Rooms Revenue ($000)	$67,556	$98,796	$166,352	$53,403	$54,699	$47,155	$161,824	$39,257	$20,495	$19,293	$79,045

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,140	11,140	11,140	11,264	11,264	11,264	11,264	11,264	11,264	11,264	11,264
Available Room Nights	1,002,600	1,013,740	2,016,340	349,184	349,184	337,920	1,036,288	349,184	337,920	349,184	1,036,288
Occupancy	53%	59%	56%	85%	87%	85%	85%	76%	49%	46%	58%
Occupied Room Nights	531,495	687,429	1,219,424	295,453	302,729	287,166	885,347	271,632	164,639	160,702	596,971
Average Daily Rate	$123	$144	$134	$179	$173	$172	$175	$156	$115	$125	$139
Rooms Revenue ($000)	$64,977	$98,937	$163,914	$53,963	$53,479	$49,262	$154,703	$42,447	$19,005	$19,704	$81,156

2003 ACTUAL RESULTS

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,140	11,140	11,140	11,264	11,264	11,264	11,264	11,264	11,264	11,264	11,264
Available Room Nights	1,002,600	1,013,740	2,016,340	349,184	349,184	337,920	1,036,288	349,184	337,920	349,184	1,036,288
Occupancy	53%	60%	57%	69%	61%	59%	73%	0%	0%	0%	0%
Occupied Room Nights	531,612	610,857	1,142,469	239,191	206,150	233,874	753,216	0	0	0	0
Average Daily Rate	$125	$135	$130	$156	$165	$165	$161	$0	$0	$0	$0
Rooms Revenue ($000)	$63,499	$84,216	$146,715	$36,667	$34,013	$38,474	$120,393	$0	$0	$0	$0

BOOKING PATTERNS

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	261,230	294,339	555,568	264,231	242,565	237,372	744,168	212,996	103,641	58,964	375,701
% Of Rooms Sold	49%	52%	54%	92%	77%	87%	95%	87%	50%	40%	66%
2003 BOOKINGS	248,753	295,917	544,620	152,016	155,424	166,079	493,519	161,629	76,158	55,770	313,557
% Of Rooms Sold	47%	55%	50%	60%	51%	60%	55%				
2002/2003 VARIANCE	-1%	3%	2%	-32%	-26%	-27%	-34%	-15%	-27%	-5%	-17%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	0.0%	0.0%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Occupancy Points	-1.2%	5.1%	-3.2%	-14.1%	-11.3%	-12.1%	-12.6%	-71.0%	-51.9%	-42.7%	-55.2%
Occupied Room Nights	-2.2%	7.9%	-5.3%	-16.5%	-11.3%	-13.9%	-13.8%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	2.0%	-2.4%	-0.6%	-12.7%	-11.1%	-0.3%	-3.4%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	0.7%	10.0%	6.0%	-27.1%	-21.2%	-14.2%	-21.1%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-2.5%	-2.6%	-4.7%	-15.6%	-12.5%	-13.2%	-13.8%	-72.0%	-52.5%	-43.3%	-56.0%
Occupied Room Nights	-4.5%	10.1%	-7.6%	-18.5%	-13.5%	-16.0%	-15.9%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.9%	5.2%	-3.7%	15.2%	-13.7%	-3.2%	11.1%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	5.5%	14.9%	-11.0%	-30.9%	-25.3%	-18.7%	-25.2%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Quebec City	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.3%	-7.5%	-3.9%	-16.1%	-6.5%	-15.4%	-12.0%	-77.6%	-48.7%	-46.0%	-57.6%
Occupied Room Nights	0.0%	-11.2%	-6.3%	-19.0%	-7.5%	-12.6%	-14.9%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-1.5%	-4.1%	-3.5%	-12.4%	-7.5%	-4.1%	-8.1%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-1.5%	-14.2%	-9.9%	-29.1%	-14.1%	-21.2%	-21.8%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	[illegible]	Total	100%	[illegible]

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	[illegible]	Total	100%	[illegible]

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	[illegible]	Total	100%	[illegible]
% Of 2002 Total	10%	$11,483,078	% Of 2002 Total	2%	$ 3,494,167

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	$11,483,078	$3,494,167

MONTH OF JULY	[illegible]	[illegible]
	[illegible]	[illegible]
MONTH OF AUG	[illegible]	[illegible]
	[illegible]	[illegible]
MONTH OF SEPT	[illegible]	[illegible]
	[illegible]	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(120,834)	Total	100%	(120,834)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(120,834)	Total	100%	(120,834)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
Total	100%	1,455
% Of 2002 Total	0%	$ 192,055

		Q4 Potential
[illegible]		$0
[illegible]		$192,055
[illegible]		$0
[illegible]		$0
[illegible]		$0
		$192,055

4.4 OTHER QUEBEC MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

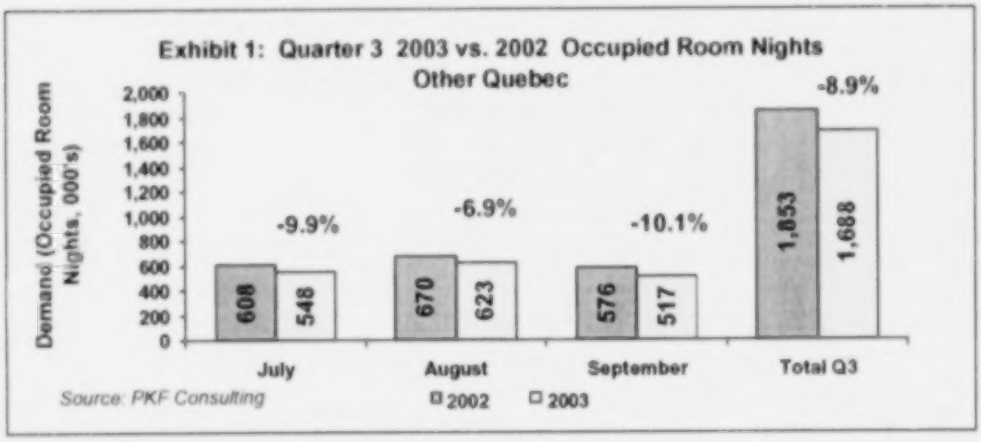
- Excluding the Greater Montreal Area and Quebec City, the balance of Quebec's accommodation market was 27,966 rooms in Quarter 3 2003 – a net increase of 30 guest rooms compared to Q3 2002.

Demand and Rate

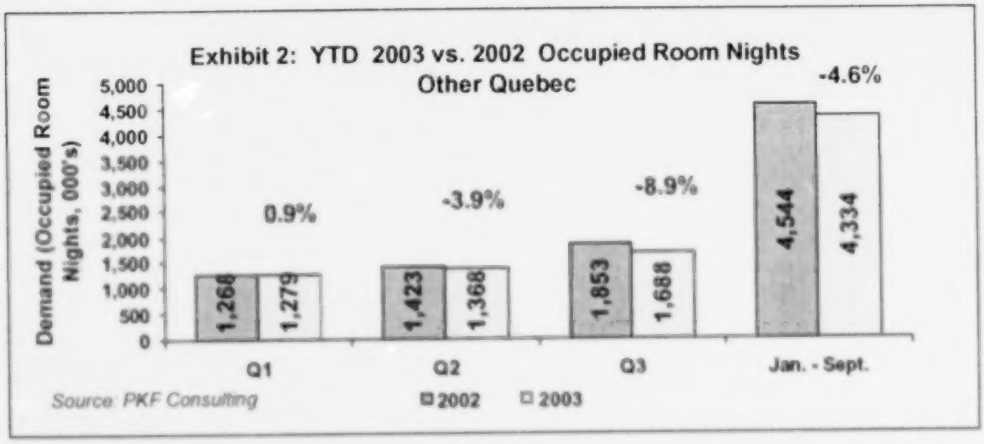
- During Quarter 3 2003, the Other Quebec hotel market achieved a 66% occupancy at an average daily rate of $120. Occupancy levels were 6 points lower than Quarter 3 of last year, and the average daily rate was up by $1.

- Demand for the Other Quebec accommodation market was **down by approximately 165,000 room nights or 8.9% in Quarter 3 2003**, as compared to Q3 2002.

- On a month-to-month basis, demand for room nights in Other Quebec fell by 9.9% in July, declined a further 6.9% in August and declined by another 10.1% in September.

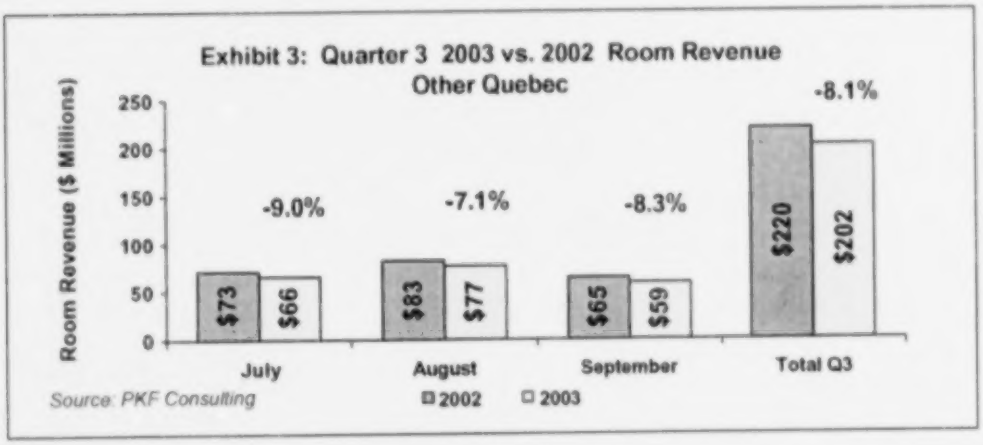


- The decrease in demand that started during Quarter 2 continued into Quarter 3 with a decline of 8.9% for Quarter 3 compared to the same period in 2002.



Room Revenue

- Room revenue in Other Quebec declined by 9.0% in July, 7.1% in August, and another 8.3% in September.
- **Quarter 3 room revenue was down by $17.8 Million (8.1%)** compared to the same period last year. Overall the region is below their year-to-date room revenue levels by $15 Million or 2.9% compared to 2002.



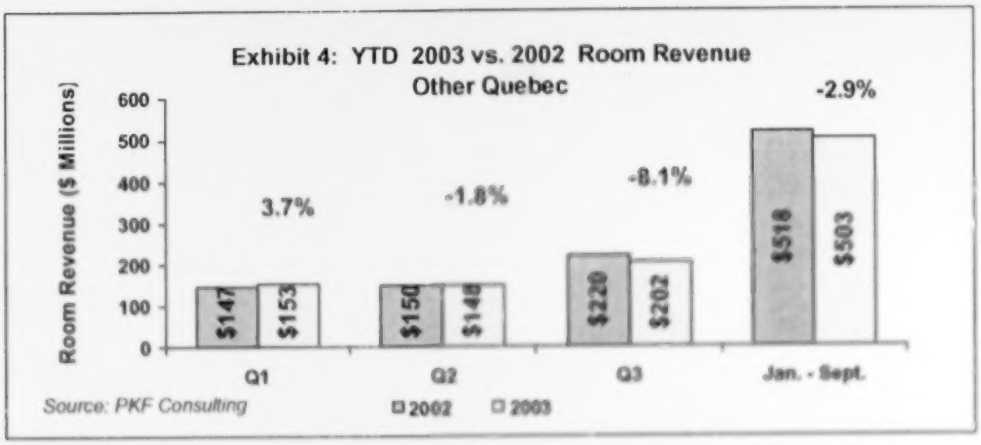


Exhibit 4: YTD 2003 vs. 2002 Room Revenue
Other Quebec
Room Revenue ($ Millions)
600
500
400
300
200
100
0
3.7%
-1.8%
-8.1%
-2.9%
$147
$153
$150
$148
$220
$202
$518
$503
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

OTHER QUEBEC 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Quebec	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	27,916	27,916	27,916	27,936	27,936	27,936	27,936
Available Room Nights	2,512,440	2,540,356	5,052,796	866,016	866,016	838,080	2,570,112
Occupancy	50%	56%	53%	70%	77%	69%	72%
Occupied Room Nights	1,267,526	1,423,345	2,690,871	607,857	669,517	575,593	1,852,967
Average Daily Rate	$116	$106	$111	$120	$123	$113	$118
Rooms Revenue ($000)	$147,479	$150,491	$297,970	$72,742	$82,531	$64,823	$220,097

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Quebec	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	27,936	27,946	27,941	27,966	27,966	27,966	27,966
Available Room Nights	2,514,240	2,543,076	5,057,316	866,946	866,946	838,980	2,572,872
Occupancy (2% Demand Growth)	51%	106%	79%	72%	79%	70%	73%
Occupied Room Nights	1,292,876	2,684,498	3,977,375	620,014	682,907	587,105	1,890,026
Average Daily Rate (2% Rate Growth)	$119	$107	$110	$122	$126	$115	$121
Rooms Revenue ($000)	$153,438	$286,039	$439,473	$75,681	$85,966	$67,442	$228,989

2003 ACTUAL RESULTS

Other Quebec	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	27,936	27,946	27,941	27,966	27,966	27,966	27,966
Available Room Nights	2,514,240	2,543,076	5,057,316	866,946	866,946	838,980	2,572,872
Occupancy	51%	54%	52%	63%	72%	62%	66%
Occupied Room Nights	1,278,575	1,367,770	2,646,345	547,650	622,987	517,399	1,688,036
Average Daily Rate	$120	$108	$114	$121	$121	$115	$121
Rooms Revenue ($000)	$152,937	$147,794	$300,730	$66,178	$76,665	$59,459	$202,302

OTHER QUEBEC 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Quebec	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Occupancy Points	0.4%	-2.2%	-0.9%	-7.0%	-5.5%	-7.0%	-6.5%
Occupied Room Nights	0.9%	-3.9%	-1.7%	-9.9%	-6.9%	-10.1%	-8.9%
Average Daily Rate	2.8%	2.2%	2.6%	1.0%	-0.2%	2.0%	0.9%
Rooms Revenue ($000)	3.7%	-1.8%	0.9%	-9.0%	-7.1%	-8.3%	-8.1%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Quebec	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.6%	-51.8%	-26.3%	-8.3%	-6.9%	-8.3%	-7.9%
Occupied Room Nights	-1.1%	-49.0%	-33.5%	-11.7%	-8.8%	-11.9%	-10.7%
Average Daily Rate	0.8%	1.4%	2.8%	-1.0%	-2.1%	0.0%	-1.1%
Rooms Revenue ($000)	-0.3%	-48.3%	-31.6%	-12.6%	-10.7%	-11.8%	-11.7%
Variance to PKF Forecast ($000)	-$501	-$138,245	-$138,746	-$9,503	-$8,201	-$7,983	-$25,680
Variance to 2003 Actuals ($000)	$5,457	-$2,697	$2,760	-$5,664	-$5,867	-$5,354	-$17,795

5.0 ONTARIO PROVINCIAL/MARKET PERFORMANCE

5.1 PROVINCE OF ONTARIO

QUARTER 3 2003: RESULTS

Total Provincial Supply Inventory

- Including the major markets of Toronto, Ottawa and Windsor, the Ontario accommodation supply averaged 107,888 rooms in Quarter 3 2003 – a 1.2% increase over the same period in 2002, due to the addition of 1,296 new rooms in the Province of Ontario.

Provincial Demand and Rate

- During Quarter 3 2003, Ontario's hotel market achieved a 65% occupancy at an average daily rate of $114. Following a decline of 17% in Q2, occupancy levels continued to fall in Q3 by 8 percentage points compared to Quarter 3 2002, while the average daily rate fell by 9%.

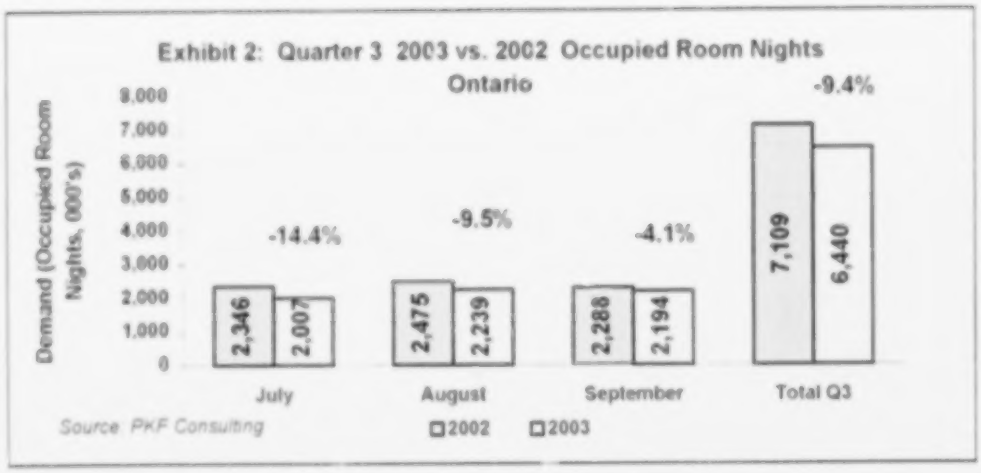
- Demand for Ontario's hotels **fell by over 668,000 room nights or 9.4% in Quarter 3 2003**, as compared to Q3 2002.

- As the summer elapsed, demand for room nights in Ontario saw signs of recovery – with July down by 14.4%, August down by 9.5% and September off by 4.1% in comparison to last year.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Greater Toronto Area	64%	$118	73%	$135	-11%	-13%
Ottawa	63%	$121	69%	$123	-3%	-1%
Ontario Resorts	63%	$184	68%	$193	-7%	-2%
Southern Ontario	65%	$111	72%	$121	-9%	-9%
Eastern Ontario	69%	$103	75%	$102	-9%	1%
Northern Ontario	72%	$89	77%	$91	-5%	-2%
Total Ontario	**65%**	**$114**	**72%**	**$125**	**-9%**	**-9%**

Source: PKF Consulting



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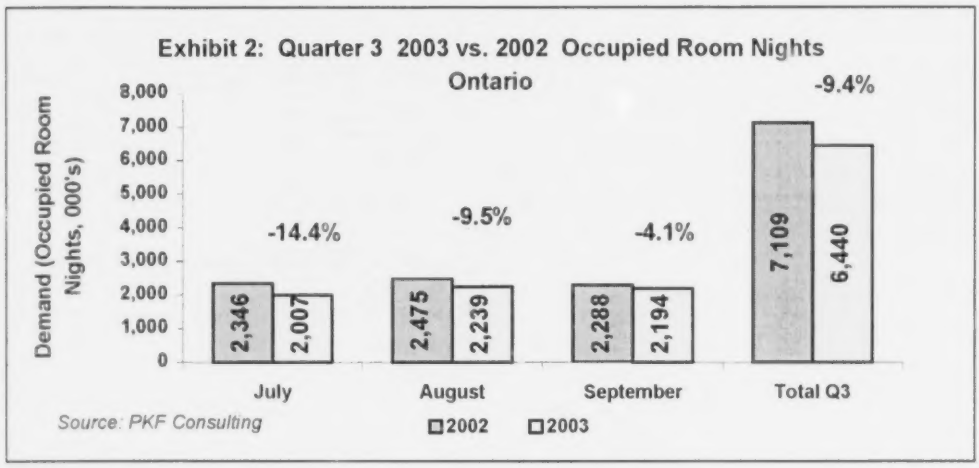
- As the summer elapsed, demand for room nights in Ontario saw signs of recovery – with July down by 14.4%, August down by 9.5% and September off by 4.1% in comparison to last year.

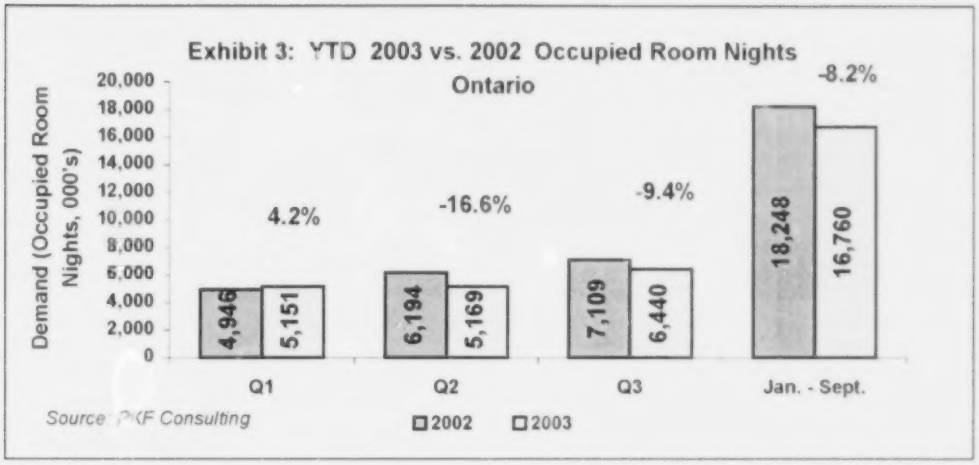
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3- 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Greater Toronto Area	64%	$118	73%	$135	-11%	-13%
Ottawa	63%	$121	69%	$123	-3%	-1%
Ontario Resorts	63%	$184	68%	$193	-7%	-2%
Southern Ontario	65%	$111	72%	$121	-9%	-9%
Eastern Ontario	69%	$103	75%	$102	-9%	1%
Northern Ontario	72%	$89	77%	$91	-5%	-2%
Total Ontario	**65%**	**$114**	**72%**	**$125**	**-9%**	**-9%**

Source: PKF Consulting



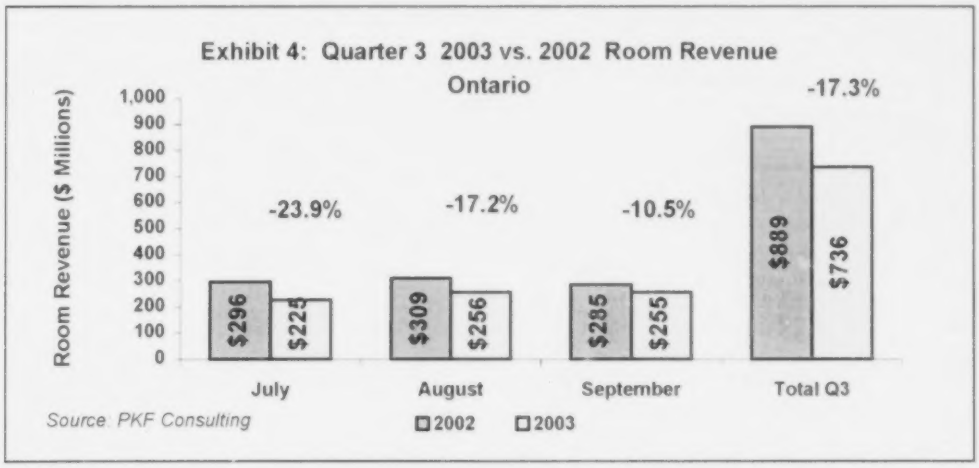
- While demand was up by 4.2% at the end of Quarter 1 and Quarter 2 results showed a decline of 16.6%, the gap narrowed somewhat in Quarter 3, with results off by 9.4%. As such, **year-to-date results for 2003 were 8.2% below results achieved in the first nine months of 2002.**



Room Revenue

- The Province's accommodation sector lost an estimated $71 Million in July, $53 Million in August and $30 Million in September – in room revenues alone.

- Overall, Quarter 3 room revenue was down by $154 Million (-17.3%) compared to the same period last year. Although the Province started the year on solid footing, Quarter 2 and 3 losses have placed the sector 14.4% behind last year's results, equating to a loss of $314 Million in room revenue.



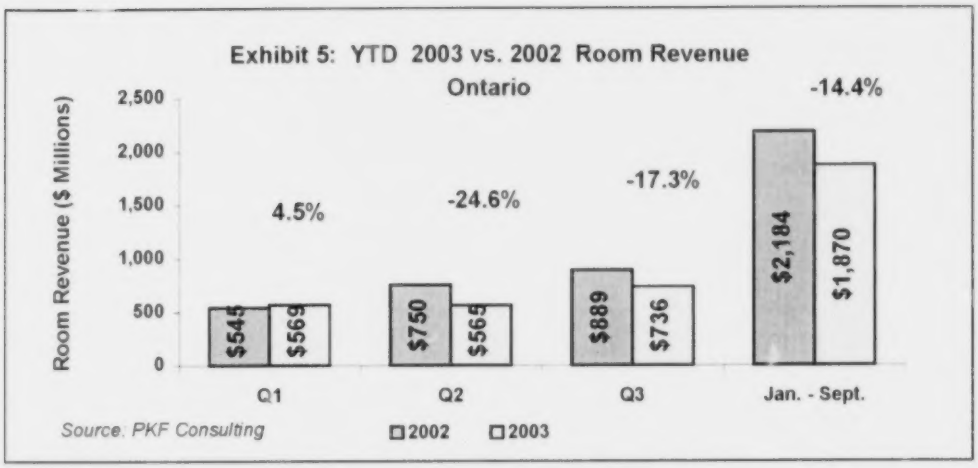


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Ontario
Room Revenue ($ Millions)
2,500
2,000
1,500
1,000
500
0
4.5%
-24.6%
-17.3%
-14.4%
$545
$569
$750
$565
$889
$736
$2,184
$1,870
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

ONTARIO 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL ONTARIO	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	105,014	105,361	105,189	106,381	106,626	106,774	106,592
Available Room Nights	9,451,260	9,587,885	19,039,145	3,297,811	3,305,406	3,203,220	9,806,437
Occupancy	52%	65%	59%	71%	75%	71%	72%
Occupied Room Nights	4,945,949	6,193,751	11,139,700	2,345,733	2,475,088	2,287,740	7,108,561
Average Daily Rate	$110	$121	$116	$126	$125	$125	$125
Rooms Revenue ($000)	$544,546	$750,352	$1,294,898	$295,750	$308,742	$284,961	$889,453

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL ONTARIO	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	106,817	107,171	106,995	107,888	107,888	107,888	107,888
Available Room Nights	9,613,565	9,752,588	19,366,153	3,344,528	3,344,528	3,236,640	9,925,696
Occupancy (2% Demand Growth)	52%	65%	59%	72%	75%	72%	73%
Occupied Room Nights	5,044,868	6,317,626	11,362,494	2,392,648	2,524,590	2,333,495	7,250,732
Average Daily Rate (2% Rate Growth)	$112	$124	$118	$129	$127	$127	$128
Rooms Revenue ($000)	$566,545	$780,666	$1,347,212	$307,698	$321,216	$296,473	$925,387

2003 ACTUAL RESULTS

TOTAL ONTARIO	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	106,817	107,171	106,995	107,888	107,888	107,888	107,888
Available Room Nights	9,613,565	9,752,588	19,366,153	3,344,528	3,344,528	3,236,640	9,925,696
Occupancy	54%	53%	53%	60%	67%	68%	65%
Occupied Room Nights	5,151,295	5,168,561	10,319,856	2,007,386	2,239,161	2,193,795	6,440,342
Average Daily Rate	$110	$109	$110	$112	$114	$116	$114
Rooms Revenue ($000)	$569,133	$565,472	$1,134,605	$225,028	$255,779	$255,051	$735,858

ONTARIO 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL ONTARIO	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.7%	1.7%	1.7%	1.4%	1.2%	1.0%	1.2%
Occupancy Points	1.3%	-11.6%	-5.2%	-11.1%	-7.9%	-3.6%	-7.6%
Occupied Room Nights	4.2%	-16.6%	-7.4%	-14.4%	-9.5%	-4.1%	-9.4%
Average Daily Rate	0.3%	-9.7%	-5.4%	-11.1%	-8.4%	-6.7%	-8.7%
Rooms Revenue ($000)	4.5%	-24.6%	-12.4%	-23.9%	-17.2%	-10.5%	-17.3%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL ONTARIO	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	1.1%	-11.8%	-5.4%	-11.5%	-8.5%	-4.3%	-8.2%
Occupied Room Nights	2.1%	-18.2%	-9.2%	-16.1%	-11.3%	-6.0%	-11.2%
Average Daily Rate	-1.6%	-11.5%	-7.3%	-12.8%	-10.2%	-8.5%	-10.5%
Rooms Revenue ($000)	0.5%	-27.6%	-15.8%	-26.9%	-20.4%	-14.0%	-20.5%
Variance to PKF Forecast ($000)	*$2,588*	*-$215,195*	*-$212,607*	*-$82,670*	*-$65,436*	*-$41,423*	*-$189,529*
Variance to 2002 Actuals ($000)	*$24,587*	*-$184,880*	*-$160,293*	*-$70,722*	*-$52,963*	*-$29,910*	*-$153,595*

5.2 GREATER TORONTO AREA

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Greater Toronto Area averaged 37,146 rooms – an increase of 1.4% over the same period in 2002, with the addition of 504 rooms.

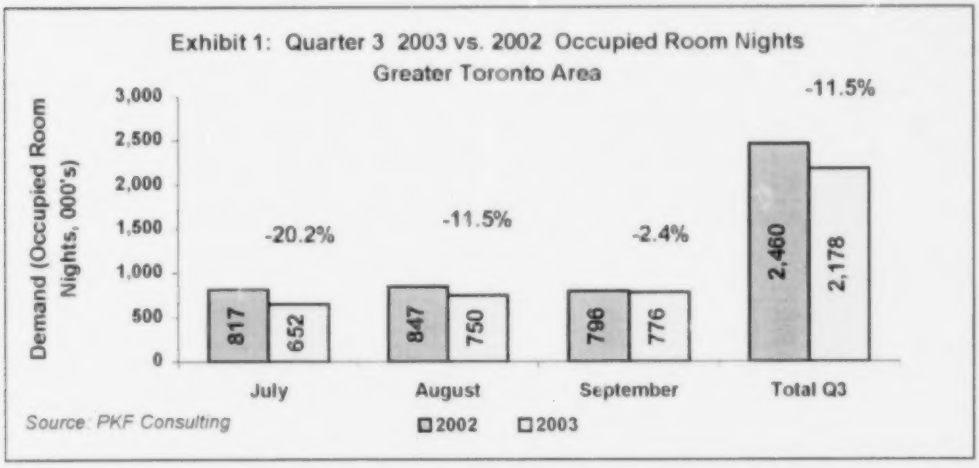
- Approximately 357 rooms were added to the GTA North/East markets, while the Toronto Airport market experienced a reduction of 185 rooms and the Downtown Toronto market experienced a reduction of 200 rooms.

Demand

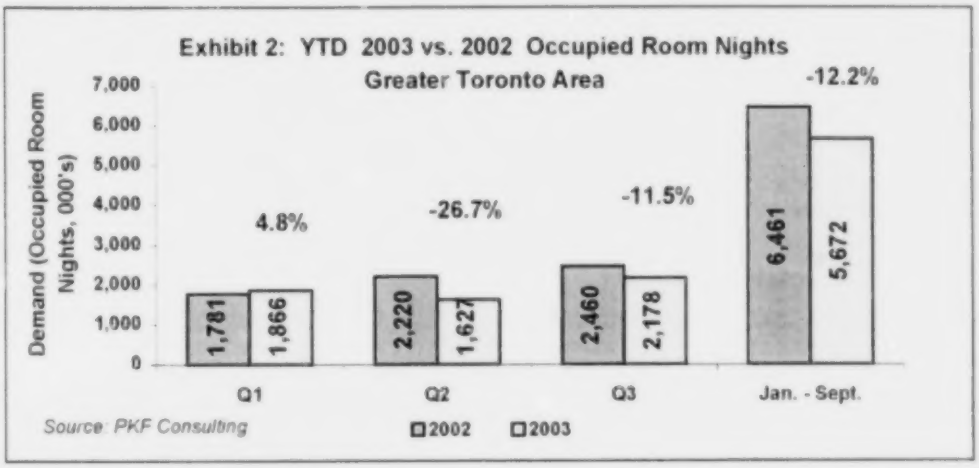
- During Quarter 3, the Greater Toronto Area hotel market achieved a 64% occupancy at an average daily rate of $118, in comparison to Q3 of last year which was 73% at $135.

- Demand for GTA hotels **dropped off by approximately 282,000 room nights or 11.5% in Quarter 3 2003**, as compared to the third quarter of 2002.

- GTA's accommodation sector improved throughout Quarter 3 as July saw decreased demand of 20.2%, August demand was down by 11.5% and in September demand was only down 2.4% compared to the previous year.



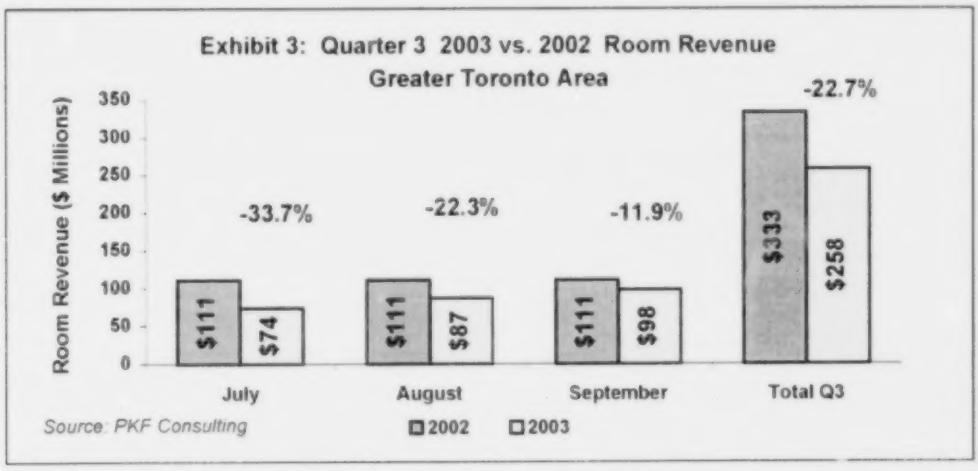
- Although GTA hotels were ahead by 4.8% in demand by the end of Quarter 1, the situation quickly reversed itself in Quarter 2, with a 27% decline in demand levels. As the industry moved into the summer months, the circumstances improved slightly from July into September, with September demand levels only down 2.4% compared to last year's results.

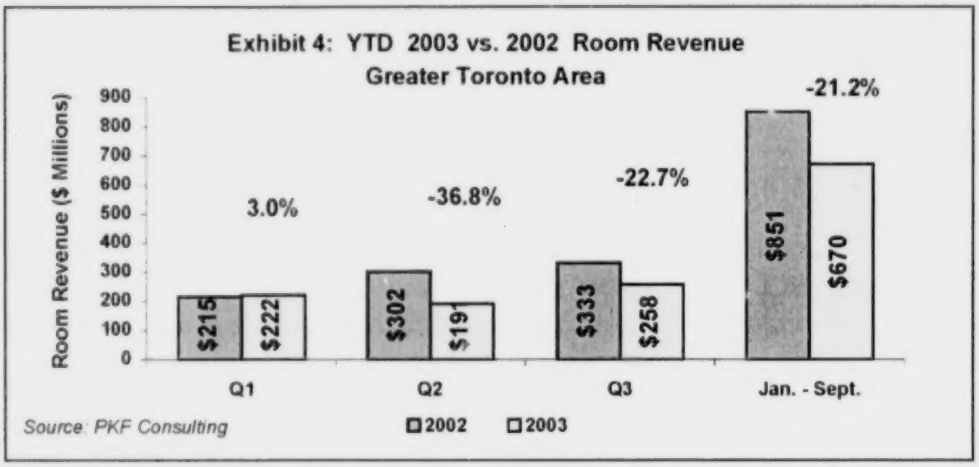


Room Revenue

- As the 3rd Quarter unfolded, GTA hotels continued to suffer losses in room revenue -- $37.4 Million in July, $24.8 Million in August and $13.2 Million in September – 22.7% below results achieved the previous year.

- Notwithstanding gains made in Quarter 1, the losses in room revenue for Quarters 2 and 3 of $111 Million and $75 Million respectively has resulted in a year-to-date loss of approximately $180 Million across the GTA accommodation sector.





Budgets and PKF Outlook

- According to our PKF Outlook for the GTA hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the market was forecast to achieve a 72% occupancy at an average daily rate of $138 in Quarter 3 2003.

- In preparing their operating budgets at the beginning of the year, GTA hoteliers expected to exceed PKF's occupancy forecast– 75% occupancy at a slightly higher rate of $140 ADR – by the end of the third quarter.

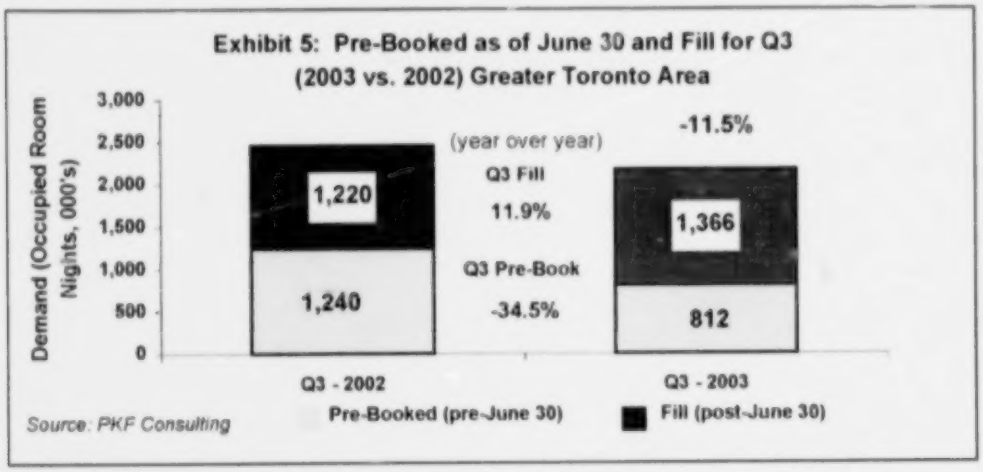
- Based on actual results, the industry missed their budgets by 11 percentage points in occupancy, and by $22 (15.5%) in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, GTA hoteliers had pre-booked over 812,000 room nights for the upcoming months of July, August and September – 34% less room nights than were pre-booked over the same time frame last year.

- Last year, over 1.2 Million room nights were pre-booked prior to heading into Quarter 3. This year, the fill rate for Quarter 3 was 11.9%.

- Visitors started to return to the city as the fear of SARS started to ease and the industry moved through the 3rd Quarter.



Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The GTA hotel industry attributed the majority of decreased demand in Quarter 3 to SARS (45%), and economic conditions (22%).
- The segment responsible for the largest demand decrease was meetings/convention travel (39%), business travel (24%), and independent leisure travel (18%).
- A decrease in US travel was cited as the major factor in the loss of business at 61%, with domestic travel at 29% and international travel at 29%.
- Based on the hotel guest's primary mode of transportation used to arrive in the GTA, 21% of the loss in Quarter 3 was attributable to a decline in automobile traffic, with 20% due to a drop off in air traffic.

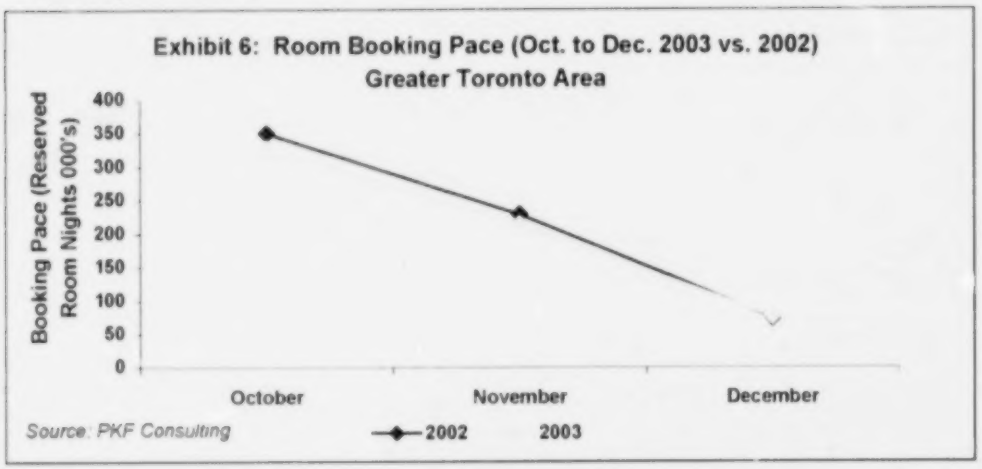
Results by Toronto's SUB-MARKETS

- From a sub-market perspective, the strongest fall off in Quarter 3 demand levels continued to be amongst downtown Toronto's hotels, which endured a 15.7% decline in rooms sold over last year. Toronto East/North hotels were off by 11.6%, while Toronto Airport properties were down by 9.2% in demand.
- Of the GTA's three sub markets, Quarter 3 2003 booking patterns were off the most amongst the Toronto North/East properties. As of June 30th, 2003, these hotels had pre-booked 44% fewer room nights going into the quarter, than the previous year. Conversely, booking patterns amongst Toronto's downtown hotels were off by 32% going into Q3, while the Toronto Airport patterns for Q3 were down by 36% compared to last year.
- Downtown Toronto Hotels (representing about 41% of the total GTA hotel inventory) recorded a $56.4 Million loss in room revenue during Quarter 3 – a 30.2% deterioration from last year's results.
- The second hardest hit market in Quarter 3 was the Toronto North/East market, which suffered an estimated $10.5 Million loss in room revenues.

- The Toronto Airport, reported a loss of $5.1 Million in room revenue – 13% below last year's results.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns



- As of September 30, 2002, 850,000 room nights or **41%** of October, November and December 2002's business was pre-booked. In comparison, as of September 30, 2003, **821,000 room nights** of business was pre-booked for Quarter 4– which is a decrease of **29,000 pre-booked room nights in Quarter 4 2003** as compared to the same period in 2002.

- This year's **Quarter 4 booking pace is down slightly by 3%** in comparison to last year, which demonstrates that the industry is returning to 2002 levels.

Q4 - Room Cancellations

- The GTA hotel industry reported over 112,000 room cancellations during Quarter 4 2003. This represents almost 7% of last year's overall Quarter 4 demand results.

- 40% of the cancellations were attributable to fears associated with SARS, while 56% were attributed to "Other reasons".

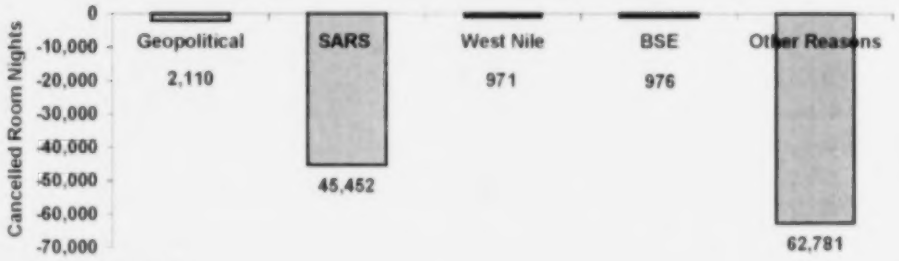
Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

GTA Markets	As at June 30th	As at Sept. 30th
Toronto Downtown	22,300	97,988
Toronto Airport	616	2,374
Toronto North/East	11,928	11,928
Greater Toronto Area	**34,844**	**112,290**
Cancelled Room Nights *Due to SARS*	24,512 70%	45,452 40%
Cancelled Room Nights *Due to Geopolitical Reasons*	887 3%	2,110 2%
Cancelled Room Nights *Due to West Nile Virus*	831 2%	971 1%
Cancelled Room Nights *Due to BSE*	976 3%	976 1%
Cancelled Room Nights *Due to Other Reasons*	7,638 22%	62,781 56%

Source: PKF Consulting

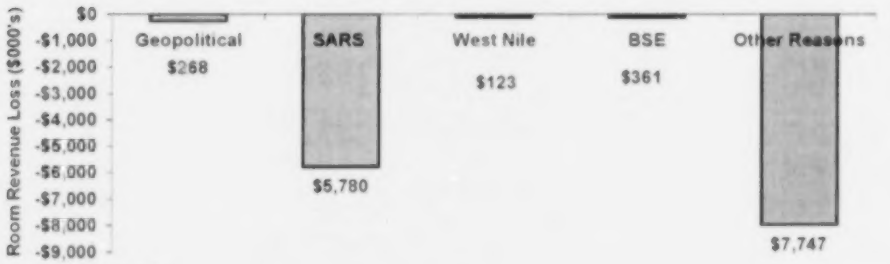
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the GTA market is estimated at **$14.3 Million,** of which $5.8 Million is attributable to SARS. At this stage in our analysis, we have categorized the losses due to room cancellations as "**potential revenue losses**", as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Greater Toronto Area



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Greater Toronto Area



Source: PKF Consulting

TORONTO - OVERALL

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	35,976	36,121	36,049	36,537	36,547	36,561	36,461	37,158	37,158	37,158	37,158
Available Room Nights	3,237,840	3,287,011	3,524,851	1,116,833	1,138,287	1,009,470	3,271,591	1,151,639	1,114,630	1,151,639	3,418,908
Occupancy	55%	68%	61%	72%	75%	72%	73%	59%	67%	67%	60%
Occupied Room Nights	1,781,136	2,219,528	4,000,762	807,181	847,161	726,561	2,380,903	680,400	741,974	776,980	2,097,429
Average Daily Rate	$121	$136	$129	$130	$137	$136	$135	$135	$135	$115	$127
Rooms Revenue ($000)	$215,276	$302,417	$517,693	$105,027	$115,733	$100,063	$320,823	$91,728	$99,738	$89,372	$281,131

2003 PKF OUTLOOK AT JANUARY 1, 2003

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	36,992	37,059	37,026	37,146	37,146	37,146	37,146	37,146	37,146	37,146	37,146
Available Room Nights	3,329,315	3,372,376	6,701,691	1,151,526	1,151,526	1,114,380	3,417,432	1,151,526	1,114,380	1,151,526	3,417,432
Occupancy	55%	66%	60%	71%	75%	72%	72%	70%	67%	67%	67%
Occupied Room Nights	1,819,128	2,218,104	4,032,033	822,852	862,946	800,113	2,485,910	801,260	745,974	772,963	2,320,197
Average Daily Rate	$125	$136	$132	$139	$134	$142	$138	$137	$135	$117	$132
Rooms Revenue ($000)	$223,454	$302,274	$531,679	$115,637	$115,527	$113,267	$342,430	$109,679	$99,853	$90,137	$297,669

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	36,992	37,059	37,026	37,146	37,146	37,146	37,146	37,146	37,146	37,146	37,146
Available Room Nights	3,329,315	3,372,376	6,701,691	1,151,526	1,151,526	1,114,380	3,417,432	1,151,526	1,114,380	1,151,526	3,417,432
Occupancy	57%	69%	63%	73%	76%	74%	75%	72%	67%	67%	67%
Occupied Room Nights	1,901,307	2,323,716	4,225,023	840,594	897,502	819,722	2,557,821	832,851	743,897	768,909	2,323,759
Average Daily Rate	$123	$137	$131	$133	$138	$144	$140	$140	$124	$123	$131
Rooms Revenue ($000)	$232,441	$319,509	$551,950	$115,947	$124,648	$117,959	$358,294	$116,211	$92,252	$95,649	$304,112

2003 ACTUAL RESULTS

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	36,992	37,059	37,026	37,146	37,146	37,146	37,146	37,146	37,146	37,146	37,146
Available Room Nights	3,329,315	3,372,376	6,701,691	1,151,526	1,151,526	1,114,380	3,417,432	1,151,526	1,114,380	1,151,526	3,417,432
Occupancy	56.1%	48%	52%	57%	65%	70%	64%	70%	0%	0%	24%
Occupied Room Nights	1,866,126	1,627,393	3,493,519	651,734	749,934	776,473	2,178,139	808,868	0	0	808,868
Average Daily Rate	$114	$117	$116	$115	$115	$120	$119	$124	$0	$0	$124
Rooms Revenue ($000)	$221,744	$191,303	$412,746	$74,937	$86,533	$93,639	$253,113	$100,455	$0	$0	$100,455

BOOKING PATTERNS

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	681,032	1,030,661	1,711,692	326,704	374,224	338,728	1,039,656	350,007	229,726	74,159	653,892
% Of Rooms Sold	38%	46%	43%	34%	44%	43%	52%	44%	21%	14%	32%
2003 BOOKINGS	771,671	956,801	1,728,472	314,381	263,400	234,931	812,460	327,840	214,525	76,291	618,756
% Of Rooms Sold	41%	50%	49%	49%	31%	30%	31%	41%			77%
2002/2003 VARIANCE	13%	7%	7%	15%	13%	13%	19%	3%	2%	2%	2%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2.8%	2.8%	2.7%	1.6%	1.6%	1.4%	1.4%	1.1%	1.1%	1.1%	1.1%
Occupancy Points	1.0%	19.3%	9.2%	15.4%	3.4%	2.7%	9.2%	1.1%	33.3%	48.1%	38.5%
Occupied Room Nights	4.8%	26.7%	12.7%	20.2%	11.5%	2.4%	11.5%	1.1%	100.0%	100.0%	82.7%
Average Daily Rate	-1.7%	13.9%	6.7%	15.4%	12.2%	5.0%	12.1%	1.5%	100.0%	100.0%	2.1%
Rooms Revenue ($000)	3.0%	36.9%	20.1%	31.1%	33.7%	11.2%	32.1%	5.1%	100.0%	100.0%	81.1%

2003 ACTUAL TO 2003 PKF OUTLOOK

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	1.5%	-17.5%	-8.1%	14.8%	8.8%	2.1%	8.1%	2.5%	33.3%	48.1%	38.5%
Occupied Room Nights	2.7%	-25.6%	-13.4%	20.8%	12.1%	3.3%	12.0%	2.5%	100.0%	100.0%	80.5%
Average Daily Rate	-3.4%	-15.6%	-10.4%	18.2%	2.3%	11.2%	14.1%	9.1%	100.0%	100.0%	3.1%
Rooms Revenue ($000)	-0.8%	-38.1%	-22.4%	31.1%	7.3%	13.9%	28.1%	8.2%	100.0%	100.0%	82.4%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

TORONTO - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-1.1%	-20.6%	-10.9%	16.4%	12.9%	-3.9%	11.1%	2.1%	33.3%	47.1%	38.5%
Occupied Room Nights	-1.9%	-30.0%	-17.3%	22.4%	16.4%	-5.3%	14.6%	2.9%	100.0%	100.0%	81.9%
Average Daily Rate	-2.8%	-14.6%	-9.6%	19.2%	16.8%	12.0%	15.1%	10.9%	100.0%	100.0%	-5.0%
Rooms Revenue ($000)	-4.6%	-40.2%	-25.2%	35.1%	32.1%	-17.2%	26.1%	13.8%	100.0%	100.0%	33.2%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(592,233)	Total	100%	(592,233)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(592,233)	Total	100%	(592,233)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	101,433	Total	100%	30,044
% Of 2002 Total	7%	$ 34,078,487	% Of 2002 Total	2%	$ 4,430,789

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	$34,078,487	$4,430,789

MONTH OF JULY	Variance to PKF Forecast ($000)	-$22,947
	Variance to 2002 Actuals ($000)	-$27,442
MONTH OF AUG	Variance to PKF Forecast ($000)	-$27,357
	Variance to 2002 Actuals ($000)	-$30,823
MONTH OF SEPT	Variance to PKF Forecast ($000)	-$13,825
	Variance to 2002 Actuals ($000)	-$12,220

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(252,485)	Total	100%	(252,485)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(252,485)	Total	44%	(252,485)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
Total	100%	77,445
% Of 2002 Total	4%	$ 9,948,019

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	$0	$9,948,019

TORONTO - DOWNTOWN

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172	15,172
Available Room Nights	1,365,480	1,382,952	2,748,432	470,332	470,332	455,160	1,395,824	470,332	455,160	470,332	1,395,824
Occupancy	51%	72%	62%	75%	77%	60%	77%	70%	79%	45%	65%
Occupied Room Nights	701,970	997,341	1,749,311	352,232	363,755	364,993	1,080,979	329,334	353,234	210,238	922,799
Average Daily Rate	$140	$170	$156	$156	$156	$170	$170	$165	$155	$135	$156
Rooms Revenue ($000)	$98,196	$172,653	$271,249	$55,123	$57,123	$64,508	$186,932	$55,457	$54,728	$28,273	$142,458

2003 PKF OUTLOOK AT JANUARY 1, 2003

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	15,172	15,195	15,184	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972
Available Room Nights	1,365,480	1,382,943	2,748,423	464,132	464,132	449,160	1,377,424	464,132	449,160	464,132	1,377,424
Occupancy	51%	72%	62%	75%	77%	60%	77%	70%	78%	45%	65%
Occupied Room Nights	701,970	997,303	1,749,273	347,508	358,950	360,151	1,066,730	324,597	349,549	207,867	910,612
Average Daily Rate	$143	$176	$163	$176	$171	$164	$170	$172	$150	$136	$161
Rooms Revenue ($000)	$100,398	$175,133	$275,531	$61,143	$61,413	$59,129	$181,685	$55,954	$52,430	$28,196	$146,579

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	15,172	15,195	15,184	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972
Available Room Nights	1,365,480	1,382,943	2,748,423	464,132	464,132	449,160	1,377,424	464,132	449,160	464,132	1,377,424
Occupancy	50%	70%	61%	75%	76%	63%	72%	67%	75%	46%	67%
Occupied Room Nights	682,394	1,039,506	1,852,697	347,252	350,795	370,714	1,129,762	310,056	334,683	214,271	925,010
Average Daily Rate	$164	$170	$167	$171	$172	$177	$173	$171	$165	$137	$159
Rooms Revenue ($000)	$112,476	$176,777	$289,253	$59,413	$60,326	$65,442	$195,264	$54,204	$55,156	$29,269	$143,229

2003 ACTUAL RESULTS

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	15,172	15,195	15,184	14,972	14,972	14,972	14,972	14,972	14,972	14,972	14,972
Available Room Nights	1,365,480	1,382,943	2,748,423	464,132	464,132	449,160	1,377,424	464,132	449,160	464,132	1,377,424
Occupancy	58.1%	47%	52%	58%	67%	74%	68%	75%	0%	0%	25%
Occupied Room Nights	793,220	647,332	1,440,552	267,966	310,815	333,187	910,968	349,819	0	0	349,819
Average Daily Rate	$137	$140	$139	$135	$139	$155	$143	$147	$0	$0	$147
Rooms Revenue ($000)	$109,438	$90,436	$199,874	$35,993	$43,218	$53,618	$130,229	$51,501	$0	$0	$51,501

BOOKING PATTERNS

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	344,212	546,931	939,944	236,324	152,849	183,370	582,483	214,903	168,979	46,140	427,961
% Of Rooms Sold	46%	52%	54%	67%	45%	50%	58%	60%	47%	22%	45%
2003 BOOKINGS	305,171	560,573	865,743	143,357	122,847	150,550	396,754	132,812	140,326	41,860	315,528
% Of Rooms Sold	40%	67%	61%	54%	40%	33%	44%	55%			107%
2002/2003 VARIANCE	11%	0%	8%	33%	25%	25%	32%	10%	10%	3%	12%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	0.2%	0.1%	-1.3%	-1.3%	1.3%	1.1%	-1.3%	-1.3%	-1.3%	-1.3%
Occupancy Points	1.3%	-25.4%	-12.2%	-17.3%	-10.5%	-8.0%	-11.3%	-1.0%	-77.6%	-44.7%	-40.1%
Occupied Room Nights	2.3%	-35.1%	-19.0%	-24.1%	-14.7%	-8.7%	-15.7%	2.6%	-100.0%	-100.0%	-62.1%
Average Daily Rate	-1.9%	-19.3%	-12.9%	-22.3%	-17.0%	-13.4%	-17.2%	-12.5%	-100.0%	-100.0%	-4.4%
Rooms Revenue ($000)	9.9%	-47.5%	-26.5%	-41.0%	-29.2%	-21.0%	-30.2%	-14.9%	-100.0%	-100.0%	-63.1%

2003 ACTUAL TO 2003 PKF OUTLOOK

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	13%	-25.4%	-12.1%	-17.3%	-10.5%	-6.0%	-11.3%	-1.3%	-77.6%	-44.7%	-40.1%
Occupied Room Nights	2.3%	-35.1%	-19.0%	-23.1%	-13.6%	-7.5%	-16.0%	-1.3%	-100.0%	-100.0%	-61.5%
Average Daily Rate	-3.8%	-20.9%	-14.5%	-23.8%	-18.6%	-15.1%	-18.8%	-14.3%	-100.0%	-100.0%	-6.2%
Rooms Revenue ($000)	-1.6%	-48.7%	-30.2%	-41.0%	-29.5%	-21.5%	-30.7%	-15.4%	-100.0%	-100.0%	-56.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

TORONTO - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	8.2%	-29.4%	-15.9%	-21.5%	-17.2%	-9.4%	-15.9%	-5.7%	-74.5%	-46.2%	-41.3%
Occupied Room Nights	-5.4%	-37.7%	-23.5%	-27.2%	-20.5%	-10.1%	-19.3%	-7.0%	-100.0%	-100.0%	-62.2%
Average Daily Rate	-1.2%	-19.2%	-12.5%	-20.9%	-18.9%	-13.6%	-17.4%	-13.6%	-100.0%	-100.0%	-4.9%
Rooms Revenue ($000)	6.6%	-49.7%	-31.1%	-42.4%	-35.1%	-22.5%	-33.3%	-19.5%	-100.0%	-100.0%	-56.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	10%	[illegible]	Business Travel	32%	[illegible]
Increased Competition	3%	[illegible]	Independent Leisure Travel	10%	[illegible]
Geopolitical	1%	[illegible]	Group Leisure	14%	[illegible]
SARS	12%	[illegible]	Meetings/Convention Travel	34%	[illegible]
Weather	0%		Government	7%	[illegible]
9/11 Fear	0%		Other	3%	[illegible]
Other	2%	[illegible]			
Total	100%	(360,000)	**Total**	100%	(360,000)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	31%	[illegible]	Air	50%	[illegible]
US Travel	54%	[illegible]	Automobile	41%	[illegible]
Overseas Travel	15%	[illegible]	Motorcoach	10%	[illegible]
			Other	1%	[illegible]
Total	100%	(360,000)	**Total**	100%	(360,000)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Geopolitical	1%	1,750	Geopolitical	2%	[illegible]
SARS	84%	82,350	SARS	87%	19,340
Weather	0%	80	Weather	0%	70
9/11 Fear	2%	2,070	9/11 Fear	0%	14
Other	13%	11,120	Other	13%	[illegible]
Total	100%	98,150	**Total**	100%	22,300
% Of 2002 Total	9%	$ 16,431,096	**% Of 2002 Total**	2%	$ 3,432,840

	Q3 Potential	Q4 Potential
Geopolitical	$234,325	$0
SARS	$13,077,320	$2,019,330
Weather	$53,147	$11,390
9/11 Fear	$384,317	$11,390
Other	$1,921,987	$1,391,720
	$16,431,096	$3,432,840

MONTH OF JULY	Variance to PKF Forecast ($000)	-$[illegible]
	Variance to 2002 Actuals ($000)	-$23,146
MONTH OF AUG	Variance to PKF Forecast ($000)	-$[illegible]
	Variance to 2002 Actuals ($000)	-$17,793
MONTH OF SEPT	Variance to PKF Forecast ($000)	-$[illegible]
	Variance to 2002 Actuals ($000)	-$17,487

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	20%	[illegible]	Business Travel	15%	[illegible]
Increased Competition	20%	[illegible]	Independent Leisure Travel	15%	[illegible]
Geopolitical	1%	[illegible]	Group Leisure	15%	[illegible]
SARS	17%	[illegible]	Meetings/Convention Travel	40%	[illegible]
Weather	0%	[illegible]	Government	4%	[illegible]
9/11 Fear	15%		Other	1%	[illegible]
Other	8%	[illegible]			
Total	100%	(170,087)	**Total**	100%	(170,087)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	31%	[illegible]	Air	31%	[illegible]
US Travel	48%	[illegible]	Automobile	21%	[illegible]
Overseas Travel	1%	[illegible]	Motorcoach	8%	[illegible]
			Other	1%	[illegible]
Total	100%	(170,087)	**Total**	49%	(170,087)

Q4 CANCELLATIONS	%	ORN
Geopolitical	3%	[illegible]
SARS	3%	[illegible]
Weather	3%	[illegible]
9/11 Fear	6%	[illegible]
Other	87%	[illegible]
Total	100%	75,688
% Of 2002 Total	6%	$ 11,551,052

	Q4 Potential
Geopolitical	$[illegible]
SARS	$3,229,[illegible]
Weather	$[illegible]
9/11 Fear	$436,[illegible]
Other	$2,787,[illegible]
	$11,551,052

TORONTO - Airport

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553
Available Room Nights	499,770	505,323	1,005,093	172,143	172,143	166,590	510,876	172,143	166,590	172,143	510,876
Occupancy	62%	65%	64%	67%	72%	66%	68%	65%	63%	47%	58%
Occupied Room Nights	309,822	330,513	639,315	115,938	124,115	109,650	349,703	112,409	105,118	80,219	297,746
Average Daily Rate	$115	$116	$116	$114	$112	$113	$112	$113	$111	$105	$110
Rooms Revenue ($000)	$35,627	$38,366	$74,011	$13,194	$13,595	$12,370	$39,159	$12,649	$11,656	$8,411	$32,850

2003 PKF OUTLOOK AT JANUARY 1, 2003

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,325	5,368	5,347	5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368
Available Room Nights	479,295	488,488	967,773	166,408	166,408	161,040	493,856	166,408	161,040	166,408	493,856
Occupancy	66%	69%	67%	71%	76%	69%	72%	69%	67%	49%	61%
Occupied Room Nights	314,979	337,123	652,102	118,257	126,597	111,843	356,697	114,658	107,221	81,523	303,701
Average Daily Rate	$118	$118	$118	$116	$112	$115	$114	$115	$113	$108	$113
Rooms Revenue ($000)	$37,060	$39,935	$77,000	$13,727	$14,149	$12,868	$40,741	$13,192	$12,162	$8,854	$34,177

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,325	5,368	5,347	5,368	5,368	5,368	5,368	5,118	5,368	5,368	5,368
Available Room Nights	479,295	488,488	967,773	166,408	166,408	161,040	493,856	166,408	161,040	166,408	493,856
Occupancy	59%	69%	69%	70%	76%	66%	71%	68%	62%	45%	54%
Occupied Room Nights	329,499	339,332	668,830	117,163	125,944	106,305	349,411	113,409	100,583	75,588	289,559
Average Daily Rate	$121	$120	$121	$120	$124	$126	$127	$122	$123	$119	$122
Rooms Revenue ($000)	$39,773	$40,829	$80,601	$15,153	$15,663	$13,429	$44,245	$13,810	$12,346	$8,981	$35,136

2003 ACTUAL RESULTS

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	5,325	5,368	5,347	5,368	5,368	5,368	5,368	5,368	5,368	5,368	5,368
Available Room Nights	479,295	488,488	967,773	166,408	166,408	161,040	493,856	166,408	161,040	166,408	493,856
Occupancy	66.5%	51%	59%	55%	67%	71%	64%	74%	0%	0%	25%
Occupied Room Nights	318,539	247,951	566,490	92,257	110,994	114,387	317,637	122,593	0	0	122,593
Average Daily Rate	$112	$106	$110	$105	$105	$110	$107	$111	$0	$0	$111
Rooms Revenue ($000)	$35,793	$26,405	$62,198	$9,663	$11,663	$12,718	$34,045	$13,565	$0	$0	$13,565

BOOKING PATTERNS

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	86,322	114,654	200,976	54,225	44,676	29,151	128,051	52,717	29,019	15,619	97,355
% Of Rooms Sold	29%	35%	31%	47%	36%	27%	37%	47%	28%	19%	33%
2003 BOOKINGS	86,815	100,249	187,124	33,743	27,011	21,582	82,336	56,398	31,811	19,667	106,876
% Of Rooms Sold	27%	40%	33%	37%	24%	19%	26%	46%	xxxxxxxx	xxxxxxxx	37%
2002/2003 VARIANCE	1%	13%	7%	38%	-12%	-26%	-30%	-1%	10%	20%	10%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	-4.1%	-3.3%	-3.7%	-3.3%	-3.3%	-3.3%	-3.3%	-3.1%	-3.3%	-3.3%	-3.3%
Occupancy Points	-4.7%	-14.6%	-5.1%	-11.9%	-5.4%	5.3%	-4.1%	9.4%	-63.1%	-46.6%	-33.5%
Occupied Room Nights	-3.2%	-25.0%	-11.4%	-20.4%	-10.6%	4.3%	-9.2%	9.1%	-100.0%	-100.0%	-56.8%
Average Daily Rate	2.6%	-8.3%	-5.2%	-8.0%	-3.9%	1.3%	-4.2%	-1.7%	-100.0%	-100.0%	0.3%
Rooms Revenue ($000)	0.4%	-31.2%	-16.0%	-26.8%	-14.1%	3.0%	-13.0%	-7.2%	-100.0%	-100.0%	-58.7%

2003 ACTUAL TO 2003 PKF OUTLOOK

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.1%	-18.3%	-8.9%	-15.5%	-9.4%	1.9%	-7.9%	-4.9%	-66.5%	-49.2%	-36.1%
Occupied Room Nights	1.1%	-26.5%	-13.1%	-22.0%	-12.3%	2.3%	-11.0%	6.9%	-100.0%	-100.0%	-59.5%
Average Daily Rate	-4.5%	-10.1%	-7.0%	-5.9%	-5.9%	-3.2%	-6.1%	-3.6%	-100.0%	-100.0%	-1.7%
Rooms Revenue ($000)	3.5%	33.9%	-19.2%	-29.6%	-17.4%	1.0%	-16.1%	3.1%	-100.0%	-100.0%	-60.1%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

TORONTO - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-2.3%	-18.7%	-10.6%	-15.0%	-9.0%	5.0%	-6.4%	5.5%	-62.4%	-45.4%	-33.9%
Occupied Room Nights	-3.3%	-26.9%	-15.3%	-21.3%	-11.9%	7.6%	-9.1%	3.1%	-100.0%	-100.0%	-57.7%
Average Daily Rate	-6.9%	-11.5%	-8.9%	-19.0%	-15.4%	-11.8%	-15.3%	-9.1%	-100.0%	-100.0%	-8.9%
Rooms Revenue ($000)	-10.0%	-35.3%	-22.8%	-36.2%	-25.4%	-5.1%	-23.0%	-1.8%	-100.0%	-100.0%	-61.4%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(82,562)	Total	100%	(82,562)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(82,562)	Total	100%	(82,562)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	7,902	Total	100%	615
% Of 2002 Total	2%	$ 694,804	% Of 2002 Total	0%	$ 67,913

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	$694,804	$67,913

MONTH OF JULY	*Variance to PHP Forecast ($000)*	*[illegible]*
	Variance to 2002 Actuals ($000)	*[illegible]*
MONTH OF AUG	*Variance to PHP Forecast ($000)*	*[illegible]*
	Variance to 2002 Actuals ($000)	*[illegible]*
MONTH OF SEPT	*Variance to PHP Forecast ($000)*	*[illegible]*
	Variance to 2002 Actuals ($000)	*[illegible]*

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(32,066)	Total	100%	(32,066)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(32,066)	Total	29%	(32,066)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	1,759
% Of 2002 Total	1%	$ 193,961

		Q4 Potential
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		$193,961

TORONTO - EAST/NORTH

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	7,900	7,945	7,923	8,075	8,093	8,088	8,086	8,377	8,377	8,377	8,377
Available Room Nights	702,000	722,895	1,424,895	250,125	250,758	242,670	741,759	259,687	251,102	259,687	770,966
Occupancy	49%	67%	58%	69%	72%	67%	70%	62%	57%	43%	56%
Occupied Room Nights	345,062	450,905	797,967	173,375	182,151	162,895	517,421	161,214	144,001	111,925	417,139
Average Daily Rate	$107	$105	$106	$110	$109	$115	$110	$109	$108	$103	$107
Rooms Revenue ($000)	$37,139	$47,583	$84,722	$19,066	$19,884	$18,732	$56,682	$17,587	$15,529	$11,538	$44,654

2003 PKF OUTLOOK AT JANUARY 1, 2003

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441
Available Room Nights	759,690	768,131	1,527,821	261,671	261,671	253,230	776,572	261,671	253,230	261,671	776,572
Occupancy	46%	59%	54%	68%	71%	68%	69%	63%	58%	44%	55%
Occupied Room Nights	347,021	450,483	797,504	177,709	186,709	169,455	530,873	165,244	147,601	114,723	427,568
Average Daily Rate	$108	$108	$108	$112	$109	$115	$112	$111	$110	$105	$108
Rooms Revenue ($000)	$40,129	$49,549	$89,677	$19,936	$20,274	$19,129	$59,339	$18,307	$16,233	$12,053	$46,593

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441
Available Room Nights	759,690	768,131	1,527,821	261,671	261,671	253,230	776,572	261,671	253,230	261,671	776,572
Occupancy	46%	59%	53%	68%	70%	67%	70%	67%	61%	49%	59%
Occupied Room Nights	347,511	454,909	802,117	177,747	184,494	170,625	542,919	175,649	155,166	127,142	458,007
Average Daily Rate	$108	$107	$107	$111	$112	$116	$114	$113	$114	$109	$113
Rooms Revenue ($000)	$37,469	$48,671	$86,140	$19,675	$21,015	$20,210	$61,701	$19,920	$17,685	$13,853	$51,458

2003 ACTUAL RESULTS

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441	8,441
Available Room Nights	759,690	768,131	1,527,821	261,671	261,671	253,230	776,572	261,671	253,230	261,671	776,572
Occupancy	46.6%	46%	47%	54%	61%	62%	59%	62%	0%	0%	21%
Occupied Room Nights	370,701	354,078	724,781	141,015	160,352	156,243	457,609	161,817	0	0	161,817
Average Daily Rate	$106	$104	$105	$97	$98	$101	$101	$107	$0	$0	$107
Rooms Revenue ($000)	$39,408	$36,824	$76,232	$13,725	$15,712	$15,798	$46,236	$17,358	$0	$0	$17,358

BOOKING PATTERNS

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	45,912	69,704	115,617	110,244	53,045	50,522	223,811	62,997	32,796	12,379	127,566
% Of Rooms Sold	13%	10%	10%	64%	35%	31%	43%	51%	22%	11%	31%
2003 BOOKINGS	161,525	75,449	236,974	55,962	38,159	32,149	126,277	79,630	42,491	15,679	136,800
% Of Rooms Sold	44%	21%	33%	40%	24%	21%	24%	43%	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	60%
2002/2003 VARIANCE	251%	8%	105%	-49%	-33%	-36%	-44%	0%	90%	27%	7%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	6.2%	6.2%	7.2%	4.5%	4.4%	4.0%	4.4%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	-0.6%	-16.3%	8.5%	15.4%	11.6%	5.2%	10.7%	0.2%	-57.3%	-43.1%	-33.3%
Occupied Room Nights	7.0%	-21.5%	9.1%	18.7%	12.0%	3.0%	11.6%	0.4%	-100.0%	-100.0%	-61.2%
Average Daily Rate	-0.9%	1.4%	1.0%	11.5%	7.8%	4.6%	7.7%	1.7%	-100.0%	-100.0%	0.2%
Rooms Revenue ($000)	6.1%	22.6%	10.0%	39.2%	18.6%	8.2%	16.5%	1.3%	-100.0%	-100.0%	-61.1%

2003 ACTUAL TO 2003 PKF OUTLOOK

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	2.5%	-13.9%	0.1%	14.0%	10.1%	4.0%	9.4%	1.1%	-58.1%	-43.6%	-34.2%
Occupied Room Nights	1.0%	-23.1%	-12.4%	-20.8%	-14.1%	-8.1%	-13.8%	-2.1%	-100.0%	-100.0%	-62.2%
Average Daily Rate	-2.8%	-3.3%	-2.3%	-13.2%	-8.0%	-6.4%	-9.6%	-3.0%	-100.0%	-100.0%	-1.6%
Rooms Revenue ($000)	-1.8%	-25.7%	-15.0%	-31.1%	-22.4%	-12.2%	-22.0%	-5.0%	-100.0%	-100.0%	-62.4%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

TORONTO - EAST/NORTH	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	3.1%	-13.1%	-5.1%	14.0%	13.0%	-5.7%	11.0%	5.3%	-61.3%	-49.5%	-38.1%
Occupied Room Nights	6.7%	-22.1%	-9.5%	20.7%	17.5%	-8.4%	15.7%	7.2%	-100.0%	-100.0%	-64.7%
Average Daily Rate	-1.5%	-2.8%	-1.8%	12.1%	12.1%	-6.1%	11.1%	5.4%	-100.0%	-100.0%	-4.5%
Rooms Revenue ($000)	5.2%	-24.0%	-11.3%	33.2%	23.3%	-16.9%	25.0%	12.2%	-100.0%	-100.0%	-66.3%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(96,727)	Total	100%	(96,727)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(96,727)	Total	100%	(96,727)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	25,549	Total	100%	11,926
% Of 2002 Total	9%	$ 2,799,242	% Of 2002 Total	3%	$ 1,276,697

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	$2,799,242	$1,276,697

MONTH OF JULY	*Variance to PRP Forecast ($000)*	*-$6,209*
	Variance to 2002 Actuals ($000)	*-$3,341*
MONTH OF AUG	*Variance to PRP Forecast ($000)*	*-$4,537*
	Variance to 2002 Actuals ($000)	*-$3,691*
MONTH OF SEPT	*Variance to PRP Forecast ($000)*	*-$3,239*
	Variance to 2002 Actuals ($000)	*-$1,486*

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(60,312)	Total	100%	(60,312)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(60,312)	Total	52%	(60,312)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	0
% Of 2002 Total	0%	$ 0

		Q4 Potential
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		$0

5.3 OTTAWA

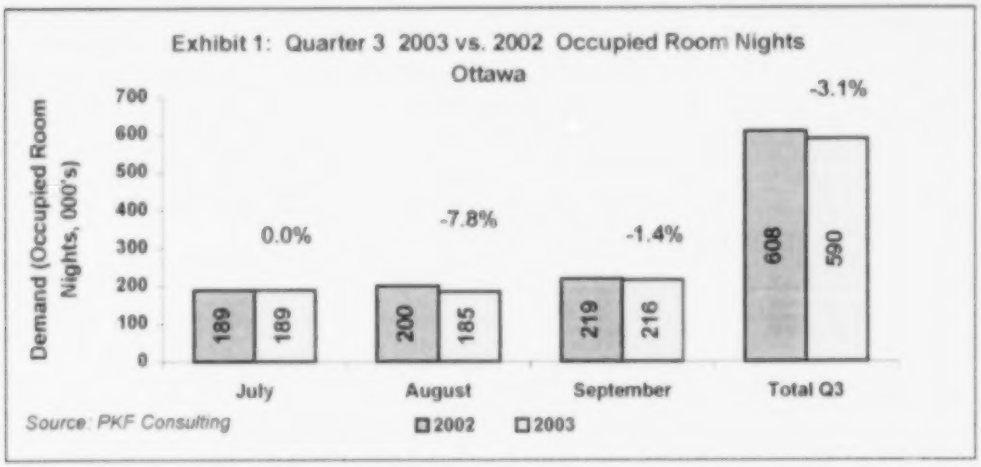
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

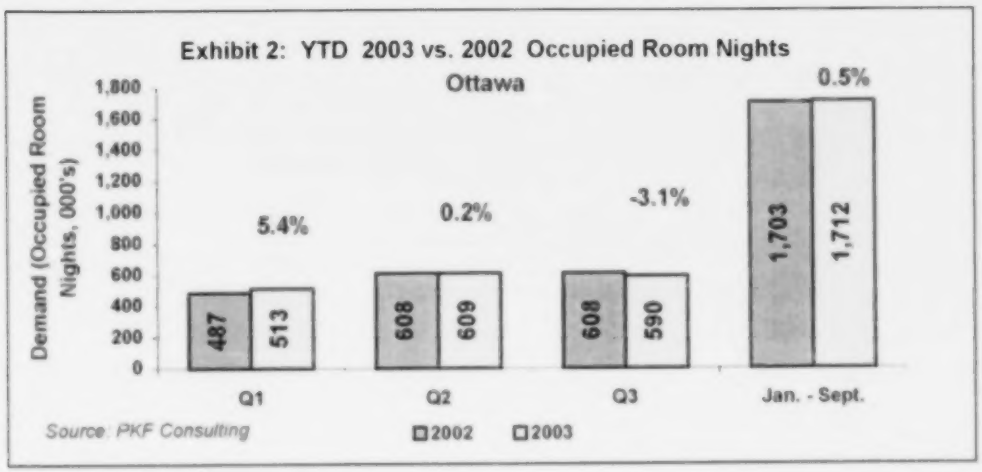
- The Ottawa accommodation inventory was comprised of 10,161 rooms in Quarter 3 2003 – a 5.8% increase over the same period in 2002, with the addition of 554 rooms.

Demand

- During Quarter 3, the Ottawa hotel market achieved a 63% occupancy at an average daily rate of $121.
- Demand declined in Quarter 3 by **approximately 18,600 room nights or 3.1%**, as compared to the third quarter of 2002.
- While July was on par with last year, August underwent an 7.8% decline in demand and September was 1.4% behind last year.

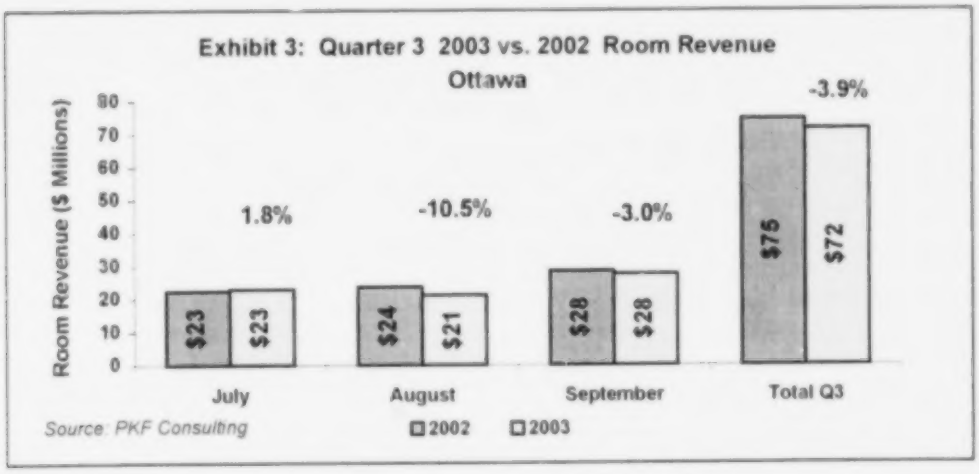


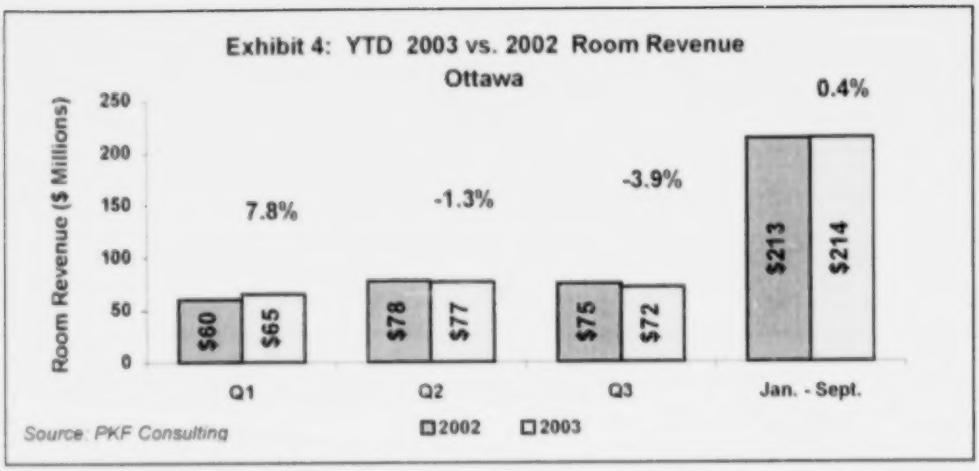
- Quarter 1 demand levels were up by 5.4% in Ottawa, with Quarter 2's performance on par with last year, and Quarter 3 behind by 3.1%. As such, year-to-date results for 2003 are running marginally ahead (0.5%) of results achieved in the first nine months of 2002.



Room Revenue

- August was the worst hit month for the quarter, with $2.5 Million in room revenue losses reported, in comparison to July, which was up by $400,000 and September, which was down by $847,000 in comparison to last year.
- Year-to-date room revenue is actually ahead by $794,000 (0.4%), largely due to a strong 1st Quarter performance.





Budgets and PKF Outlook

- According to our PKF Outlook for the Ottawa hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the market was forecast to achieve a 67% occupancy at an average daily rate of $125 in Quarter 3 2003.

- In preparing their operating budgets at the beginning of the year, Ottawa hoteliers expected to achieve a slightly higher occupancy result than the PKF Outlook – 69% occupancy at a slightly lower ADR of $124 – by the end of the third quarter.

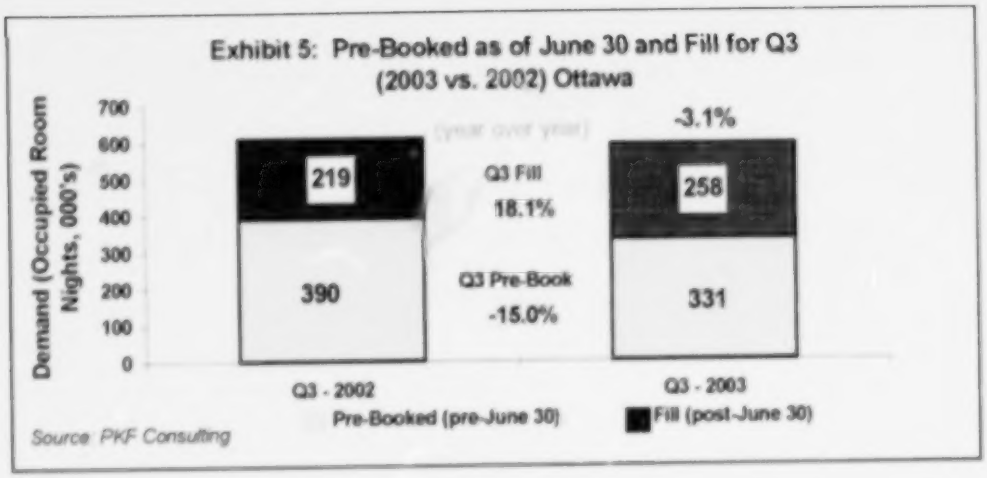
- Based on actual results, the industry missed their budget by 6 percentage points in occupancy, and by $3 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Ottawa hoteliers had pre-booked 331,000 room nights for the upcoming peak months of July, August and September – 15% fewer room nights than were pre-booked over the same time frame last year.

- However, despite the drop off in pre-booked business, the fill rate for the Ottawa market improved by 18%, with 39,700 more room nights sold between July 1 and September 30, than during the same period last year.

- Although the amount of pre-booked business was down by 15%, the corresponding 18% improvement in fill rate for the Quarter did not result in higher demand levels year-over-year, because the market absorbed a further 550 rooms in supply during Q 3 2003 (a 5.8% increase over Q3 2002).



Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

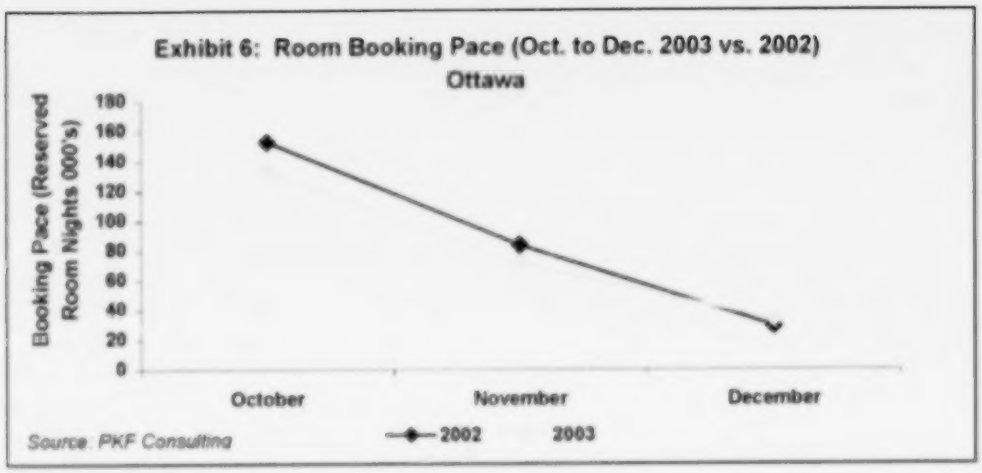
- The Ottawa hotel industry was down by approximately 18,600 room nights in Q3, with hoteliers crediting most of their decreased demand local, regional, national and economic conditions (55%) and SARS (25%).
- The segments responsible for the largest demand decrease were business travel and group leisure business.
- Furthermore, the industry cited a decline in domestic travellers as the leading source of demand erosion during the Quarter.
- Based on the hotel guest's primary mode of transportation used to arrive in Ottawa, hoteliers attributed 47% of the Q3 decrease to automobile travellers and 42% to the air travel market.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 265,000 room nights or **49%** of October, November and December's 2002's business was pre-booked. In comparison, as of September 30, 2003, **240,000 room nights** of business was pre-booked for Quarter 4 – which means that **27,000 fewer room nights were pre-booked for Quarter 4 2003** as compared to the same period in 2002.
- This year's **Quarter 4 booking pace is down by 10%** in comparison to last year, which is a reversal of the period heading into Quarter 2, when the pace was ahead by 4%, but an improvement over Quarter 3, which showed the booking pace off by 15% heading into the Quarter.

- Looking ahead to the winter months, unless the infill picks up, Quarter 4 demand is expected to be flat.



Q4 - Room Cancellations

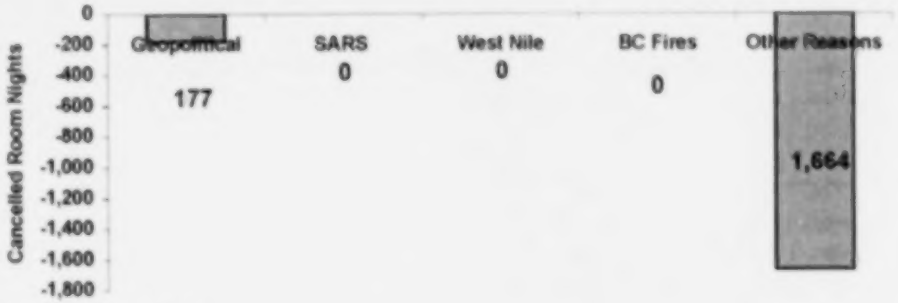
- The Ottawa hotel sector report over 1,840 room cancellations during Quarter 4 2003. This represents less than 1% of last year's overall Quarter 4 demand results.
- According to hotel operators, the vast majority of Q4 room cancellations were attributable to reasons other than those listed (90%).
- The **potential room revenue** loss due to room cancellations in the Ottawa market is estimated at **$230,000 in Q4**. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th (cumulative)
Ottawa	662	1,841
Cancelled Room Nights *Due to SARS*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Geopolitical Reasons*	0 *0%*	177 *10%*
Cancelled Room Nights *Due to West Nile Virus*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to BC Forest Fires*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Other Reasons*	662 *100%*	1,664 *90%*

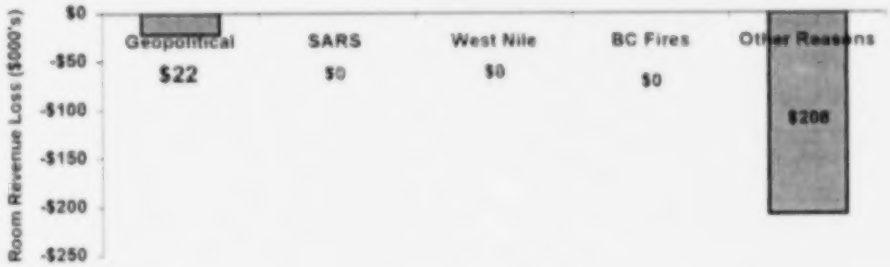
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Ottawa



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Ottawa



Source: PKF Consulting

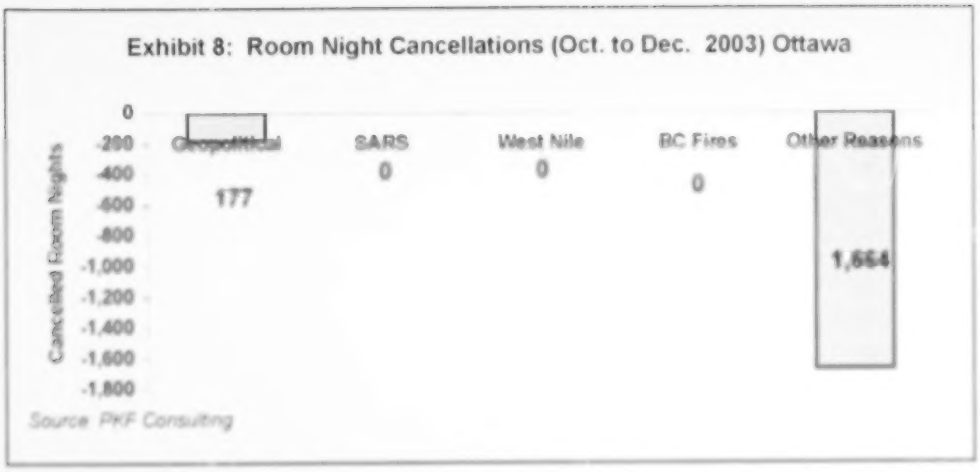


Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Ottawa
Cancelled Room Nights
0
-200
-400
-600
-800
-1,000
-1,200
-1,400
-1,600
-1,800
Geopolitical
177
SARS
0
West Nile
0
BC Fires
0
Other Reasons
1,554
Source PKF Consulting

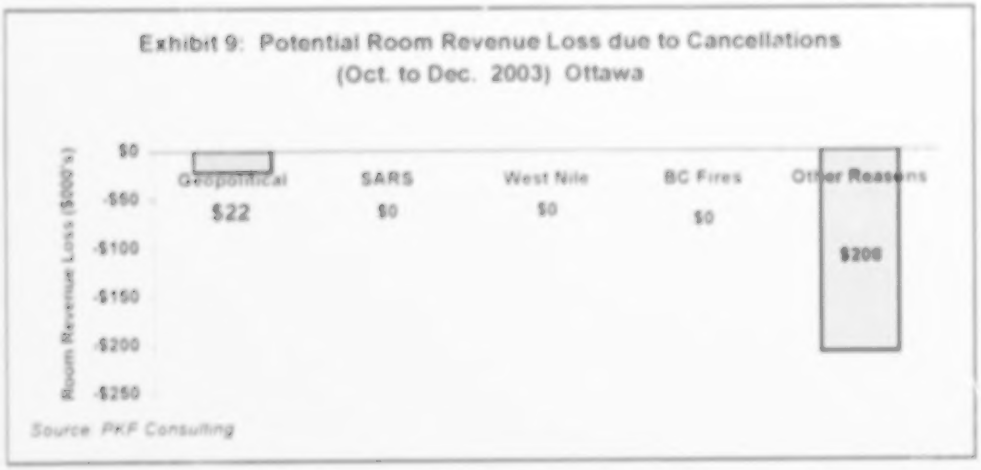


Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Ottawa
Room Revenue Loss ($000's)
$0
-$50
-$100
-$150
-$200
-$250
Geopolitical
$22
SARS
$0
West Nile
$0
BC Fires
$0
Other Reasons
$200
Source PKF Consulting

Ottawa

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	9,358	9,532	9,444	9,607	9,607	9,607	9,607	9,607	9,607	9,607	9,607
Available Room Nights	842,040	867,412	1,709,452	297,817	297,817	288,270	883,844	297,817	288,210	297,817	883,844
Occupancy	58%	75%	64%	64%	67%	76%	69%	74%	66%	44%	61%
Occupied Room Nights	486,737	648,361	1,095,117	189,122	200,163	218,694	608,179	219,789	189,642	131,933	541,364
Average Daily Rate	$124	$128	$126	$116	$118	$133	$125	$130	$123	$115	$122
Rooms Revenue ($000)	$60,495	$77,851	$138,347	$22,526	$23,586	$29,417	$74,533	$28,503	$23,413	$15,158	$67,67

2003 PKF OUTLOOK AT JANUARY 1, 2003

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	9,607	9,694	9,651	10,001	10,181	10,181	10,181	10,181	10,181	10,181	10,181
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy (+ 2.5%)	59%	69%	64%	62%	63%	74%	67%	72%	64%	53%	63%
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate (+ 2.5%)	$127	$131	$129	$120	$122	$135	$128	$133	$126	$122	$128
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	9,607	9,694	9,651	10,181	10,181	10,181	10,181	10,181	10,181	10,181	10,181
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	57%	64%	61%	59%	62%	74%	64%	71%	66%	42%	60%
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	$127	$129	$128	$121	$124	$137	$124	$134	$129	$121	$132
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL RESULTS

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	9,607	9,694	9,651	10,181	10,181	10,181	10,181	10,181	10,181	10,181	10,181
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	59%	69%	64%	61%	63%	71%	63%	2%	1%	2%	2%
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0	0
Average Daily Rate	$127	$130	$127	$123	$124	$128	$127	$0	$0	$0	$0
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$0	$0	$0	$0

BOOKING PATTERNS

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	219,600	375,877	532,897	132,950	127,249	126,719	386,917	152,622	83,427	26,586	265,637
% Of Rooms Sold	45%	52%	49%	72%	64%	59%	64%	72%	44%	22%	49%
2003 BOOKINGS	164,911	336,112	529,281	124,081	93,871	115,859	331,279	133,492	71,521	33,384	238,196
% Of Rooms Sold	34%	54%	47%	50%	100%	53%	55%				
2003 BOOKINGS VS 2002	-25%	5%	-1%	-25%	25%	-12%	-14%	-12%	-15%	-12%	-10%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2.1%	1.0%	1.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Occupancy Points	1.0%	2.3%	0.0%	2.3%	-3.0%	5.1%	2.1%	72.9%	50.0%	44.2%	41.2%
Occupied Room Nights	1.0%	2.3%	2.3%	2.3%	2.3%	1.4%	2.1%	100.0%	100.0%	100.0%	100.0%
Average Daily Rate	2.0%	1.0%	2.3%	1.0%	2.3%	1.0%	2.0%	100.0%	100.0%	100.0%	100.0%
Rooms Revenue ($000)	2.0%	1.0%	1.2%	1.0%	-10.0%	0.3%	1.0%	100.0%	100.0%	100.0%	100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	1.0%	2.3%	0.0%	2.3%	-3.0%	2.3%	2.0%	77.0%	50.0%	42.3%	50.0%
Occupied Room Nights	2.0%	2.3%	2.3%	2.3%	-10.0%	2.3%	2.0%	100.0%	100.0%	100.0%	100.0%
Average Daily Rate	2.0%	1.0%	1.0%	2.0%	4.0%	2.0%	2.0%	100.0%	100.0%	100.0%	100.0%
Rooms Revenue ($000)	2.0%	1.0%	1.0%	2.0%	-6.0%	2.0%	2.0%	100.0%	100.0%	100.0%	100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Ottawa	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	2.0%	2.3%	2.0%	2.3%	-1.0%	2.3%	2.0%	72.0%	50.0%	42.3%	50.0%
Occupied Room Nights	2.0%	2.3%	2.0%	2.3%	-5.0%	-4.3%	2.0%	100.0%	100.0%	100.0%	100.0%
Average Daily Rate	2.0%	1.0%	2.0%	1.0%	4.0%	2.0%	-2.0%	100.0%	100.0%	100.0%	100.0%
Rooms Revenue ($000)	2.0%	1.0%	1.0%	2.0%	-3.0%	0.3%	-2.0%	100.0%	100.0%	100.0%	100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	842	Total	100%	842

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	842	Total	100%	842

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	[illegible]	Total	100%	852
% Of 2002 Total	[illegible]	$ [illegible]	% Of 2002 Total	[illegible]	$ [illegible]

	Q4 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

MONTH OF JULY	[illegible]
MONTH OF AUG	[illegible]
MONTH OF SEPT	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(10,619)	Total	100%	(10,619)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	Total	100%	(10,619)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
Total	100%	1,179
% Of 2002 Total	0%	$ 147,333

	Q4 Potential
[illegible]	$22,100
[illegible]	$[illegible]
[illegible]	$[illegible]
[illegible]	$[illegible]
[illegible]	$125,233
	$147,333

5.4 WINDSOR

QUARTER 3 2003: RESULTS

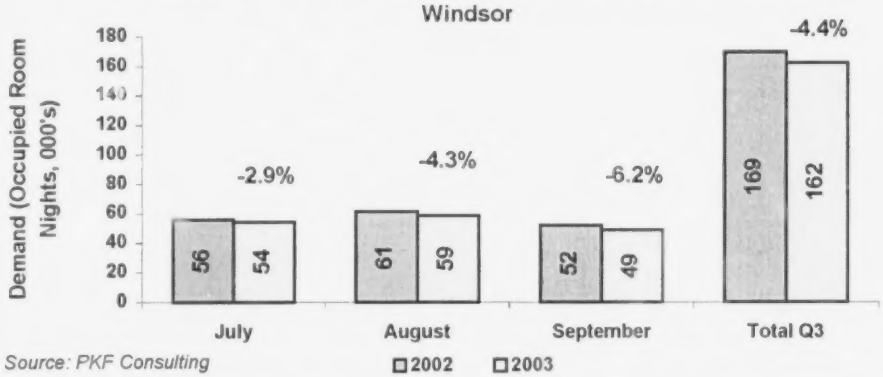
Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Windsor hotel market was 2,874 rooms – an increase of 5.5% rooms over Quarter 3 2002.

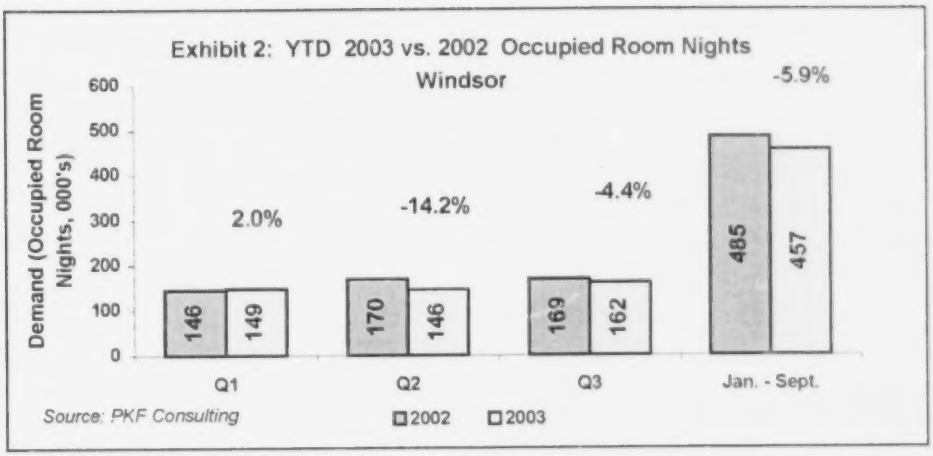
Demand

- During Quarter 3, the Windsor hotel market achieved 61% occupancy at an average daily rate of $102.
- Demand for Windsor hotels **decreased by approximately 7,500 room nights or –4.4% in Quarter 3 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry was down by 2.9% in demand in July, followed by a decline of 4.3% in August and a further decline of 6.2% in September.

Exhibit 1: Quarter 3 2003 vs. 2002 Occupied Room Nights
Windsor



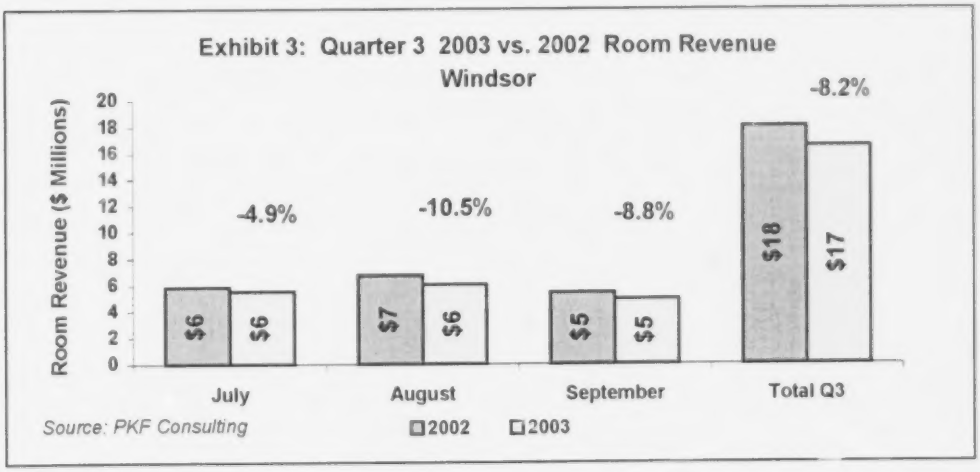
Source: PKF Consulting

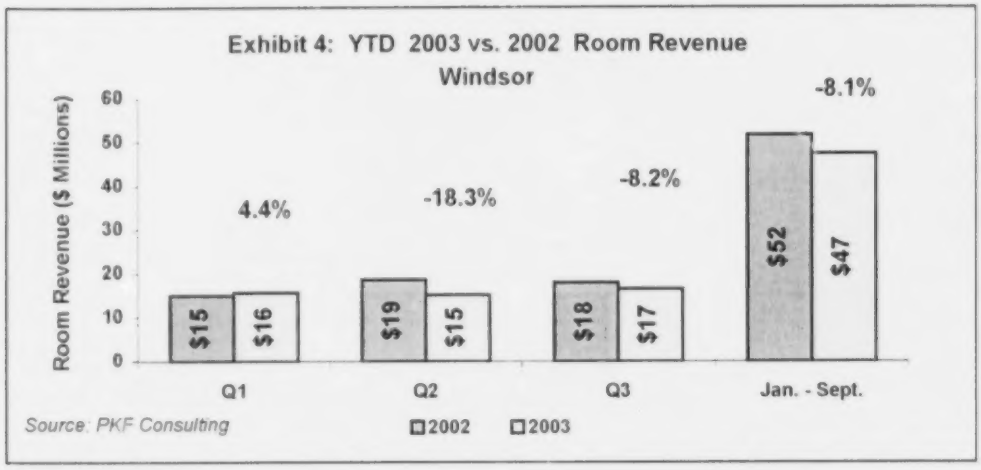


Room Revenue

- Windsor suffered a loss of $285,000 or 4.9% in room revenue during the month of July, which increased in August to a loss of $706,000 or 10.5%. September revenues were down by 8.8%, representing a loss of $477,000.

- Overall Quarter 3 room revenue was down by 8.2%, with year-to-date room revenue behind by $4.6 Million (8.1%).





Budgets and PKF Outlook

- According to our PKF Outlook for the Windsor hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the market was forecast to achieve a 65% occupancy at an average daily rate of $108 in Quarter 3 2003.

- In preparing their operating budgets at the beginning of the year, Windsor hoteliers were forecasting a 64% occupancy and an average daily rate of $110 by the end of the third quarter.

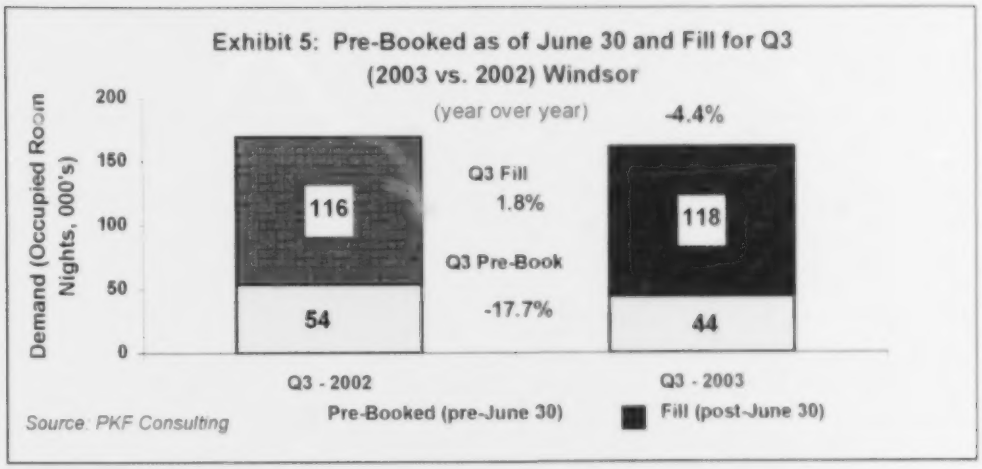
- Based on actual results, the industry missed their budgets by 3 percentage points in occupancy, and by $8 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Windsor hoteliers had pre-booked 44,000 room nights for the upcoming months of July, August and September – almost 18% fewer room nights than were pre-booked over the same time frame last year.

- The fill rate for the industry in Quarter 3 was 1.8% with 117,700 rooms sold in 2003, up from 115,600 in 2002.

- SARS and geopolitical factors not only impacted pre-booking patterns, but also the fill rate for the 3rd Quarter.



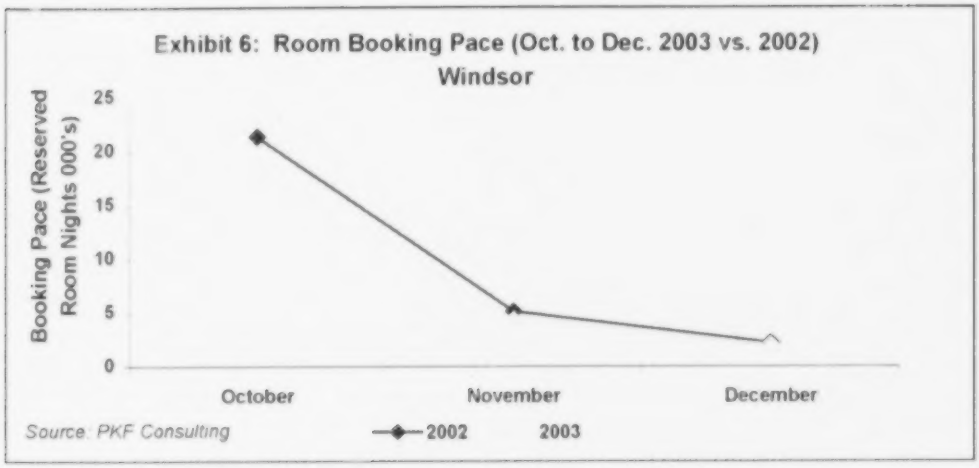
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Windsor hotel industry attributed most of their decreased demand in Quarter 3 2003 to economic conditions (46%), geopolitical forces (25%) and SARS (19%).
- The segment responsible for the largest demand decrease was independent leisure travel at 41% and group leisure travel at 15%.
- The industry cited a decline in domestic travel as the main reason for the loss of business at 55%, but also cited a decline in U.S travel at 45%.
- Based on the hotel guest's primary mode of transportation used to arrive in Windsor, almost 90% of the loss in Quarter 3 was attributable to a decline in automobile traffic, with 6% attributable to a loss in airline travellers.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 28,700 room nights or **20%** of October, November and December 2002's business was pre-booked. In comparison, as of September 30, 2003, **24,700 room nights** of business was pre-booked for Quarter 4– which means that an estimated **4,000 fewer room nights were pre-booked in Quarter 4 2003** as compared to the same period in 2002.
- This year's **Quarter 4 booking pace is down by 14%** in comparison to the same time period last year.



Q4 - Room Cancellations

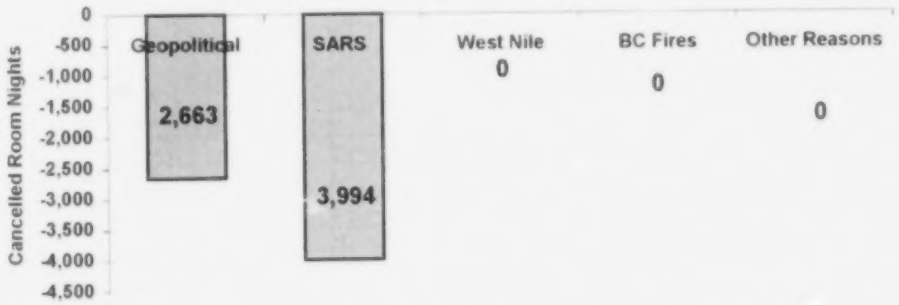
- The Windsor hotel sector reported cumulative cancellations of 6,657 as of September 30th 2003. This represents 4% of last year's overall Quarter 4 demand results.
- According to hotel operators, 60% of room cancellations were attributable to SARS, with the balance due to geopolitical reasons (40%).
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the market is estimated at **$680,000**, of which **$408,000 is attributable to SARS** and a further $272,000 to geopolitical reasons. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th (cumulative)
Windsor	6,657	6,657
Cancelled Room Nights	3,994	3,994
Due to SARS	***60%***	***60%***
Cancelled Room Nights	2,663	2,663
Due to Geopolitical Reasons	***40%***	***40%***
Cancelled Room Nights	0	0
Due to West Nile Virus	***0%***	***0%***
Cancelled Room Nights	0	0
Due to BSE	***0%***	***0%***
Cancelled Room Nights	0	0
Due to Other Reasons	***0%***	***0%***

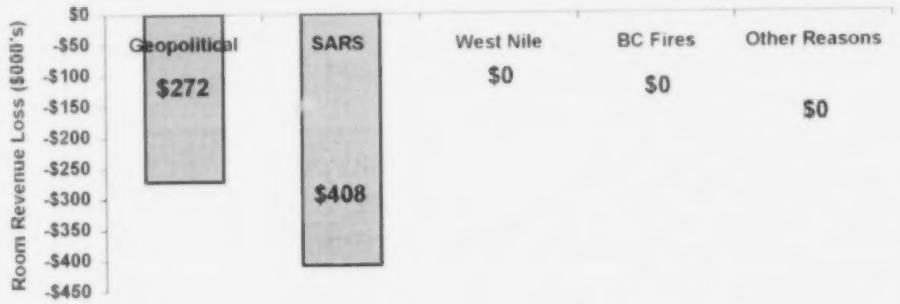
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Windsor



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Windsor



Source: PKF Consulting

Windsor

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725
Available Room Nights	245,250	247,975	493,225	84,475	84,475	81,750	250,700	84,475	81,750	84,475	250,700
Occupancy	53%	69%	64%	55%	73%	54%	68%	51%	51%	50%	58%
Occupied Room Nights	145,599	170,279	315,878	55,990	61,337	52,050	169,378	53,050	49,541	42,069	144,659
Average Daily Rate	$103	$109	$106	$104	$110	$104	$106	$100	$100	$97	$102
Rooms Revenue ($000)	$15,047	$18,598	$33,645	$5,837	$6,743	$5,414	$17,994	$5,305	$5,129	$4,093	$14,727

2003 PKF OUTLOOK AT JANUARY 1, 2003

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2,725	2,725	2,725	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874
Available Room Nights	245,250	247,975	493,225	89,094	89,094	86,220	264,408	89,094	86,220	89,094	264,408
Occupancy (+2.0%)	61%	70%	65%	54%	70%	52%	55%	51%	51%	48%	50%
Occupied Room Nights	148,511	173,605	322,196	57,110	62,564	53,091	172,765	54,111	50,531	42,910	147,553
Average Daily Rate (+2.0%)	$105	$112	$109	$108	$112	$106	$108	$107	$105	$99	$104
Rooms Revenue ($000)	$15,584	$19,397	$35,180	$6,073	$7,015	$5,633	$18,721	$5,792	$5,330	$4,259	$15,381

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2,725	2,725	2,725	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874
Available Room Nights	245,250	247,975	493,225	89,094	89,094	86,220	264,408	89,094	86,220	89,094	264,408
Occupancy	61%	67%	64%	64%	67%	60%	64%	53%	53%	47%	54%
Occupied Room Nights	149,672	165,662	315,334	57,055	59,739	51,663	168,457	52,364	48,505	42,035	143,012
Average Daily Rate	$108	$111	$109	$107	$113	$104	$110	$106	$107	$105	$105
Rooms Revenue ($000)	$16,198	$18,409	$34,298	$6,121	$6,789	$5,653	$18,563	$5,577	$5,142	$4,206	$15,924

2003 ACTUAL RESULTS

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	2,725	2,725	2,725	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874
Available Room Nights	245,250	247,975	493,225	89,094	89,094	86,220	264,408	89,094	86,220	89,094	264,408
Occupancy	61%	59%	60%	61%	66%	57%	61%	0%	0%	0%	0%
Occupied Room Nights	149,570	146,155	295,725	54,383	58,722	49,326	161,931	0	0	0	0
Average Daily Rate	$106	$104	$105	$102	$103	$101	$102	$0	$0	$0	$0
Rooms Revenue ($000)	$15,710	$15,226	$30,936	$5,552	$6,037	$4,917	$16,526	$0	$0	$0	$0

BOOKING PATTERNS

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	81,097	64,540	145,636	22,422	21,915	9,466	53,803	21,362	5,119	2,160	28,641
% Of Rooms Sold	42%	50%	46%	40%	38%	16%	32%	40%	12%	5%	20%
2003 BOOKINGS	56,094	69,652	125,946	15,243	16,296	12,716	44,255	16,403	4,327	1,975	24,705
% Of Rooms Sold	44%	48%	46%	26%	28%	26%	27%				
2002/2003 VARIANCE	0%	17%	7%	32%	-26%	54%	15%	14%	15%	9%	14%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	0.0%	0.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Occupancy Points	1.2%	9.7%	4.3%	-5.2%	-6.7%	-7.0%	-6.3%	-52.8%	-50.9%	-49.8%	-57.7%
Occupied Room Nights	2.0%	14.2%	6.7%	-2.9%	-4.3%	-6.2%	-4.4%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	2.4%	-4.8%	1.6%	-2.1%	-6.5%	-2.8%	-3.9%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	4.4%	-18.1%	-8.1%	-4.9%	-10.5%	-8.8%	-8.2%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.0%	-11.1%	-5.6%	-3.1%	-4.3%	-4.9%	-4.1%	-50.7%	-58.6%	-48.2%	-55.8%
Occupied Room Nights	0.0%	-15.9%	-8.5%	-4.5%	-6.1%	-8.0%	-6.3%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.4%	-6.1%	-3.5%	-4.0%	-8.3%	-4.7%	-5.8%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	0.4%	-21.5%	-11.7%	-6.6%	-13.9%	-12.4%	-11.7%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Windsor	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.4%	-8.3%	-4.4%	-3.0%	1.1%	-3.3%	-2.5%	-58.9%	-56.4%	-47.2%	-54.1%
Occupied Room Nights	-0.7%	-12.3%	-6.6%	-4.7%	1.7%	-5.5%	-3.9%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.2%	-6.1%	-3.2%	-4.8%	-8.1%	-7.6%	-7.1%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-0.6%	-17.6%	-9.8%	-9.3%	-12.1%	-12.7%	-10.7%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	[illegible]	[illegible]	Business Travel	[illegible]	[illegible]
Increased Competition	[illegible]	[illegible]	Independent Leisure Travel	[illegible]	[illegible]
Geopolitical	[illegible]	[illegible]	Group Leisure	[illegible]	[illegible]
SARS	[illegible]	[illegible]	Meetings/Convention Travel	[illegible]	[illegible]
Weather	[illegible]	[illegible]	Government	[illegible]	
Wet Flow	[illegible]		Other	[illegible]	
Other	[illegible]	[illegible]			
Total	100%	(24,124)	Total	100%	(24,124)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	[illegible]	[illegible]	Air	[illegible]	[illegible]
US Travel	[illegible]	[illegible]	Automobile	[illegible]	[illegible]
Overseas Travel	[illegible]	[illegible]	Motorcoach	[illegible]	[illegible]
			Other	[illegible]	
Total	100%	(24,124)	Total	100%	(24,124)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Geopolitical	[illegible]	[illegible]	Geopolitical	[illegible]	[illegible]
SARS	[illegible]	[illegible]	SARS	[illegible]	[illegible]
Weather	[illegible]		Weather	[illegible]	
Wet Flow	[illegible]	[illegible]	Wet Flow	[illegible]	[illegible]
Other	[illegible]		Other	[illegible]	
Total	100%	3,924	Total	100%	5,557
% Of 2002 Total	2%	$ 416,859	% Of 2002 Total	4%	$ 679,934

	Q3 Potential	Q4 Potential
Geopolitical	[illegible]	[illegible]
SARS	[illegible]	[illegible]
Weather	[illegible]	[illegible]
Wet Flow	[illegible]	[illegible]
Other	[illegible]	[illegible]
	$416,859	$679,934

MONTH OF JULY	Variance to PKF Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF AUG	Variance to PKF Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF SEPT	Variance to PKF Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	[illegible]	[illegible]	Business Travel	[illegible]	[illegible]
Increased Competition	[illegible]	[illegible]	Independent Leisure Travel	[illegible]	[illegible]
Geopolitical	[illegible]	[illegible]	Group Leisure	[illegible]	[illegible]
SARS	[illegible]	[illegible]	Meetings/Convention Travel	[illegible]	[illegible]
Weather	[illegible]		Government	[illegible]	[illegible]
Wet Flow	[illegible]		Other	[illegible]	[illegible]
Other	[illegible]				
Total	100%	(7,446)	Total	100%	(7,446)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	[illegible]	[illegible]	Air	[illegible]	[illegible]
US Travel	[illegible]	[illegible]	Automobile	[illegible]	[illegible]
Overseas Travel	[illegible]		Motorcoach	[illegible]	[illegible]
			Other	[illegible]	[illegible]
Total	100%	(7,446)	Total	100%	(7,446)

Q4 CANCELLATIONS	%	ORN
Geopolitical	[illegible]	
SARS	[illegible]	
Weather	[illegible]	
Wet Flow	[illegible]	[illegible]
Other	[illegible]	
Total	100%	0
% Of 2002 Total	0%	$ 0

		Q4 Potential
Geopolitical		[illegible]
SARS		[illegible]
Weather		[illegible]
Wet Flow		[illegible]
Other		[illegible]
		[illegible]

5.5 NIAGARA FALLS[1]

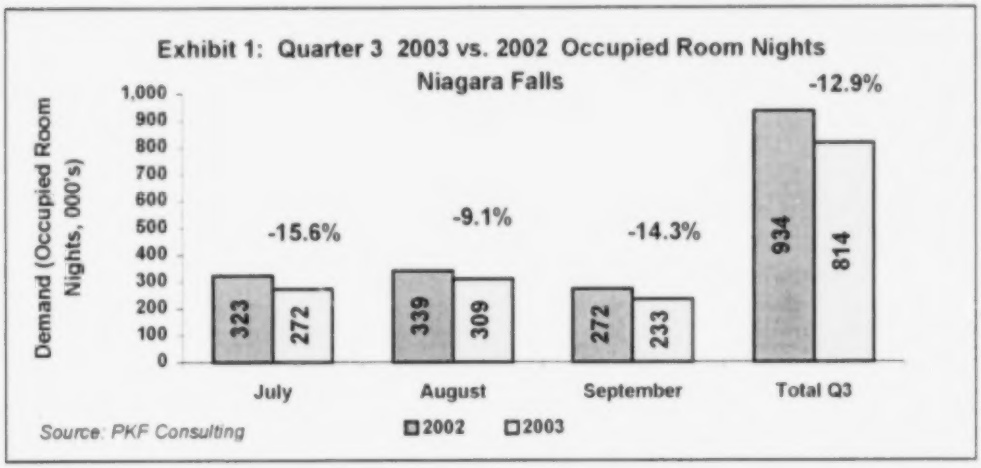
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- In Quarter 3 2003, the overall average inventory of hotel rooms in the Niagara Falls hotel market was 12,054 rooms – a 1.3% increase over the same period in 2002, with the addition of 156 rooms.

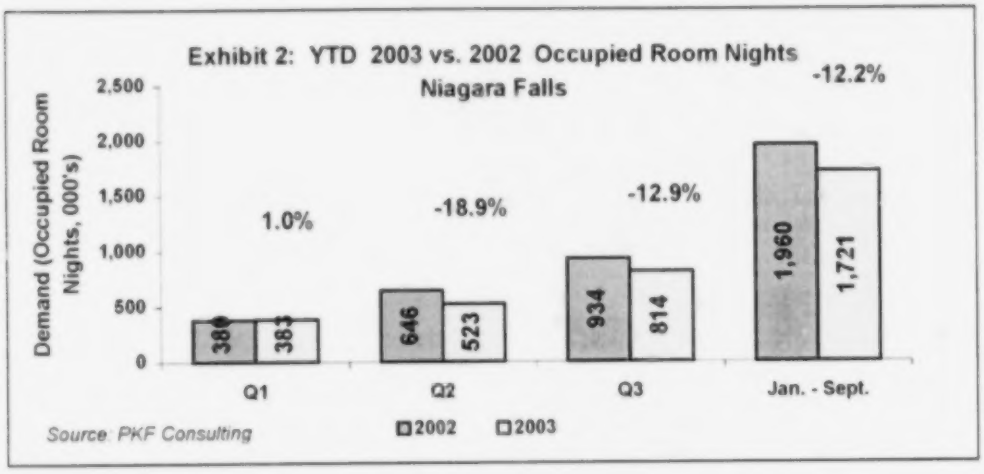
Demand and Rate

- During Quarter 3, the Niagara Falls hotel market achieved a 73% occupancy at an average daily rate of $140.
- With a 1.3% increase in supply, demand for Niagara Falls hotels was **down by approximately 120,000 room nights or 12.9% in Quarter 3 2003**, as compared to the previous year.
- On a month-to-month basis, the industry was down by 15.6% in demand in July, improving somewhat to a decline of 9.1% in August before sliding to -14.3% decline in September.



- With demand down significantly in Quarters 2 and 3, **year-to-date results for 2003 are 12.2% below results achieved during the same period in 2002.**

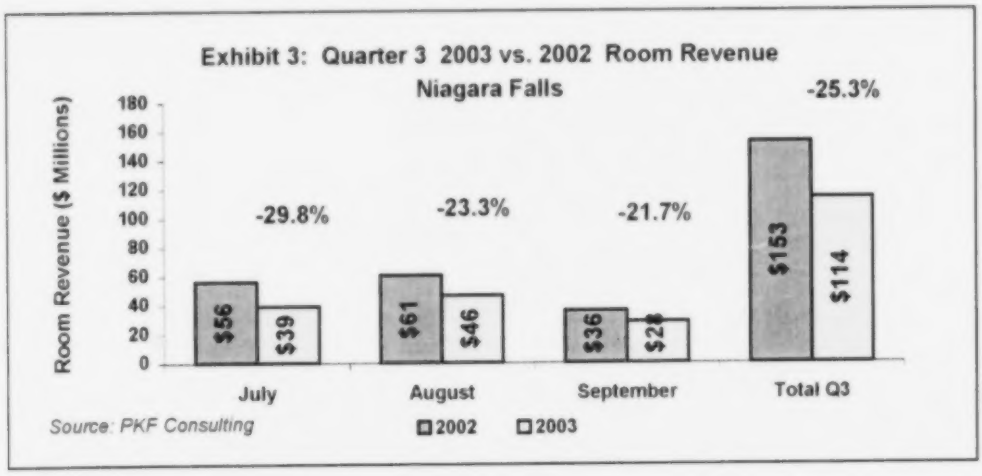
[1] Due to an insufficient response rate to PKF's Quarter 2 Survey, a Major Market Report for the City of Niagara Falls' accommodation sector was not provided in the Quarter 2 report but has been provided in this 3rd Quarter Report.



Room Revenue

- Room revenue losses in the Niagara Falls market were down significantly in all three months of Quarter 3 due to the combined impact of demand erosion and severe rate discounting. Room revenue declined by nearly $17 Million in July, $14 Million in August and $8 Million in September compared to the prior year.

- Overall Quarter 3 room revenue was 25.3% lower than the same period last year, resulting in a Q3 room revenue loss of $39 Million. This loss combined with only a slight revenue gain in Quarter 1 and a $19 Million loss in Quarter 2, results in a $57 Million year to date rooms' revenue impact for the Niagara Falls hotel industry.



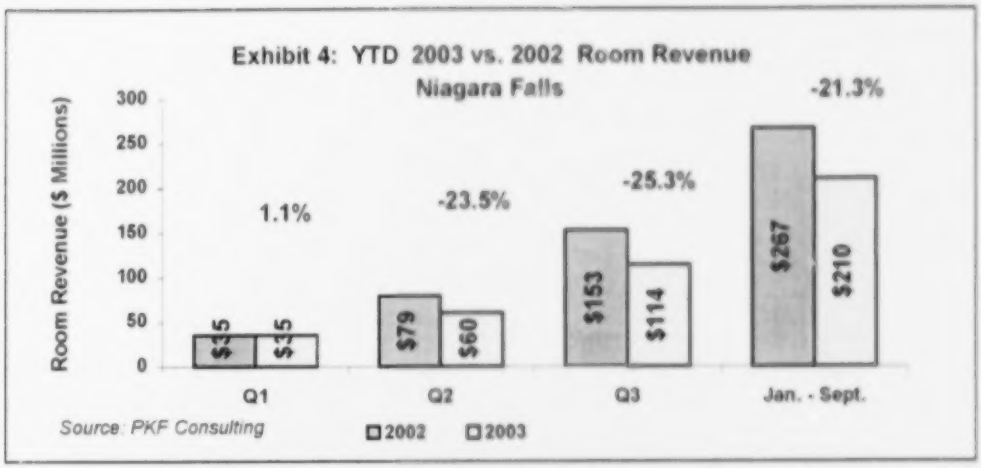


Exhibit 4: YTD 2003 vs. 2002 Room Revenue
Niagara Falls
Room Revenue ($ Millions)
300
250
200
150
100
50
0
1.1%
-23.5%
-25.3%
-21.3%
$35
$35
$79
$60
$153
$114
$267
$210
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

NIAGARA FALLS 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Niagara Falls	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	11,898	11,898	11,898	11,898	11,898	11,898	11,898
Available Room Nights	1,070,820	1,082,718	2,153,538	368,838	368,838	356,940	1,094,616
Occupancy	35%	60%	48%	88%	92%	76%	85%
Occupied Room Nights	379,582	645,603	1,025,185	322,844	339,442	272,202	934,488
Average Daily Rate	$92	$123	$111	$174	$175	$133	$164
Rooms Revenue ($000)	$34,982	$79,107	$114,089	$56,101	$60,577	$36,165	$152,843

2003 PKF OUTLOOK AT JANUARY 1, 2003

Niagara Falls	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	11,840	11,840	11,840	12,054	12,054	12,054	12,054
Available Room Nights	1,065,600	1,077,440	2,143,040	373,674	373,674	361,620	1,108,968
Occupancy (3% Demand Growth)	37%	62%	49%	89%	94%	78%	87%
Occupied Room Nights	390,969	664,971	1,055,941	332,529	349,625	280,369	962,523
Average Daily Rate (2.5% Rate Growth)	$94	$126	$114	$178	$183	$136	$168
Rooms Revenue ($000)	$36,932	$83,518	$120,450	$59,208	$63,954	$38,181	$161,363

2003 ACTUAL RESULTS

Niagara Falls	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	11,840	11,840	11,840	12,054	12,054	12,054	12,054
Available Room Nights	1,065,600	1,077,440	2,143,040	373,674	373,674	361,620	1,108,968
Occupancy	36%	49%	42%	73%	83%	65%	73%
Occupied Room Nights	383,427	523,278	906,705	272,334	308,505	233,317	814,156
Average Daily Rate	$92	$116	$106	$145	$151	$121	$140
Rooms Revenue ($000)	$35,374	$60,489	$95,864	$39,358	$46,433	$28,329	$114,120

NIAGARA FALLS 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Niagara Falls	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	-0.5%	-0.5%	-0.5%	1.3%	1.3%	1.3%	1.3%
Occupancy Points	0.5%	-11.1%	-5.3%	-14.7%	-9.5%	-11.7%	-12.0%
Occupied Room Nights	1.0%	-18.9%	-11.6%	-15.6%	-9.1%	-14.3%	-12.9%
Average Daily Rate	0.1%	-5.7%	-5.0%	-16.8%	-15.7%	-8.6%	-14.3%
Rooms Revenue ($000)	1.1%	-23.5%	-16.0%	-29.8%	-23.3%	-21.7%	-25.3%

2003 ACTUAL TO 2003 PKF OUTLOOK

Niagara Falls	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.7%	-13.2%	-7.0%	-16.1%	-11.0%	-13.0%	-13.4%
Occupied Room Nights	-1.9%	-21.3%	-14.1%	-18.1%	-11.8%	-16.8%	-15.4%
Average Daily Rate	-2.3%	-8.0%	-7.3%	-18.9%	-17.7%	-10.8%	-16.4%
Rooms Revenue ($000)	-4.2%	-27.6%	-20.4%	-33.5%	-27.4%	-25.8%	-29.3%
Variance to PKF Forecast ($000)	*-$1,558*	*-$23,029*	*-$24,586*	*-$19,877*	*-$17,521*	*-$9,852*	*-$47,243*
Variance to 2002 Actuals ($000)	*$393*	*-$18,018*	*-$18,225*	*-$16,743*	*-$14,144*	*-$7,835*	*-$38,722*

5.6 ONTARIO RESORTS

QUARTER 3 2003: RESULTS

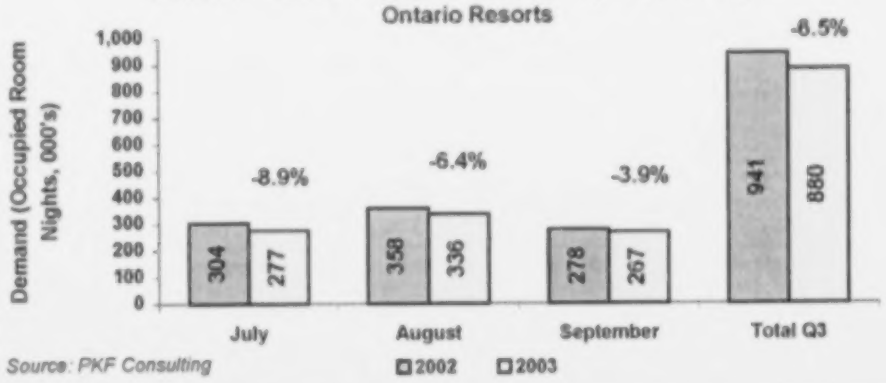
Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Ontario resort market averaged 15,289 rooms – a 1.3% increase over the same period in 2002, with the addition of 192 rooms primarily in the Collingwood region.

Demand

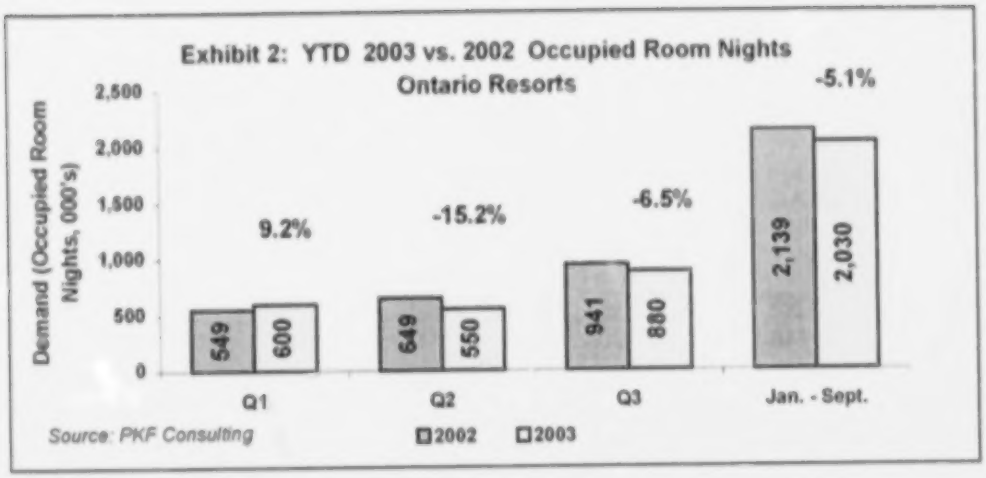
- During Quarter 3, the Ontario Resort market achieved a 63% occupancy at an average daily rate of $189.
- Demand for Ontario Resorts **decreased by approximately 8,900 room nights or -6.5% in Quarter 2 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry was down by 8.9% in demand in July, followed by a decline of 6.4% in August before slightly improving in September with a decline of 3.9%.

Exhibit 1: Quarter 3 2003 vs. 2002 Occupied Room Nights
Ontario Resorts



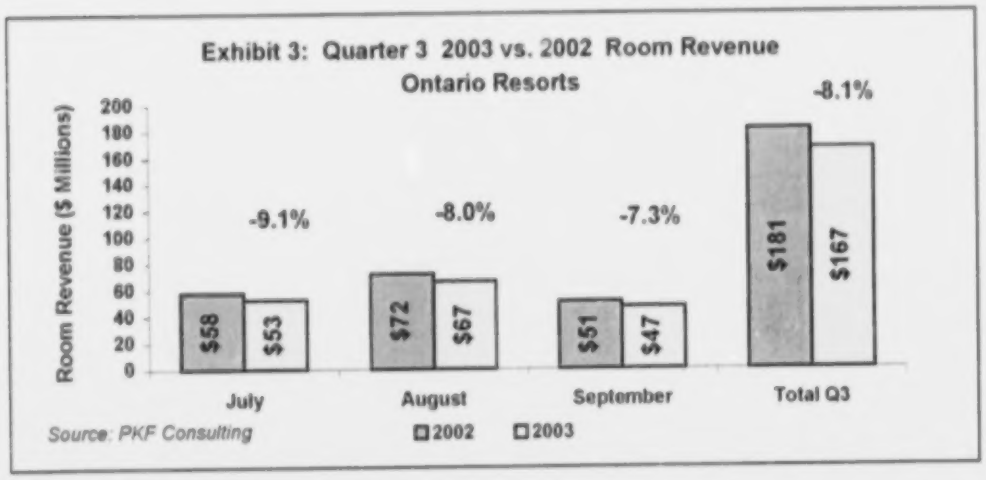
Source: PKF Consulting

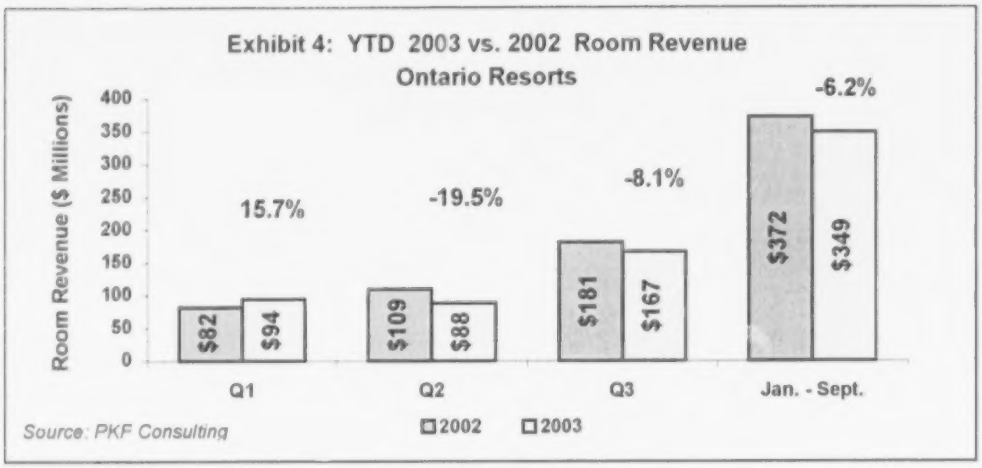
- Demand levels amongst Ontario Resorts were ahead by 9.2% by the end of Quarter 1, before falling by 15.2% in Quarter 2 and 6.5% in Quarter 3, bringing the year to date demand 5.1% lower than the results during the same period in 2002.



Room Revenue

- Ontario Resorts withstood a loss of $5.3 Million in room revenue during the month of July, followed by a further loss of $5.7 Million in August, before softening to a $3.7 Million loss in September.
- Despite the gains achieved in Quarter 1, year-to-date room revenue is behind by $23 Million (6.2%), in comparison the same period in 2002.





Budgets and PKF Outlook

- According to our PKF Outlook for the Ontario Resort market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the market was forecast to achieve a 68% occupancy at an average daily rate of $197 in Quarter 3 2003.

- In preparing their operating budgets at the beginning of the year, Ontario Resort owners expected occupancy results to be in line with the PKF Outlook – 69% occupancy however at a lower rate ($191 ADR) than the PKF outlook – by the end of the third quarter.

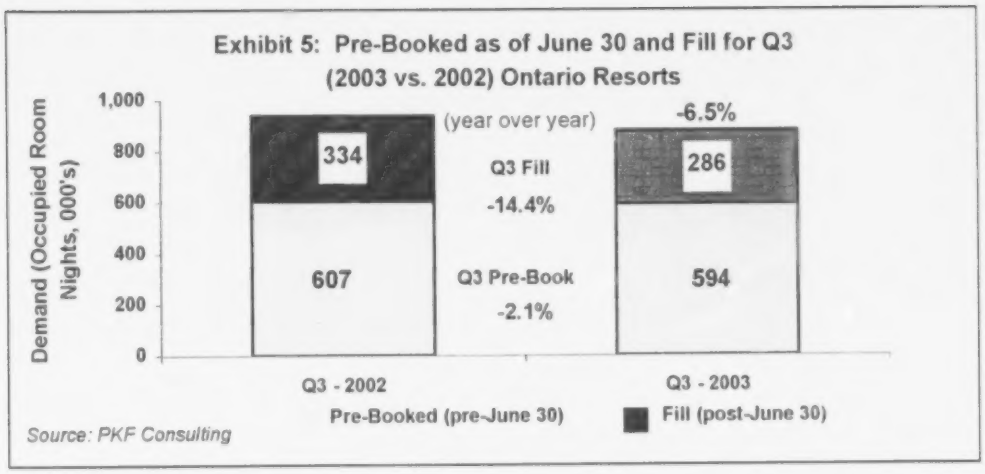
- Based on actual results, the industry missed their budgets by close to 7 percentage points in occupancy, and by $2 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Ontario Resort owners had pre-booked over 594,000 room nights for the upcoming months of July, August and September – 2% fewer room nights than were pre-booked for the same time frame last year.

- The fill rate for the resort market was off by 14% this quarter, with approximately 286,000 room nights sold between July 1 and September 30, as opposed to 334,000 last year – 48,000 fewer room nights.

- Amongst the Ontario Resort sector, economic conditions (46%), SARS (12%) and "other" reasons (23%) had the most impact on the fill rate in the 3rd Quarter.



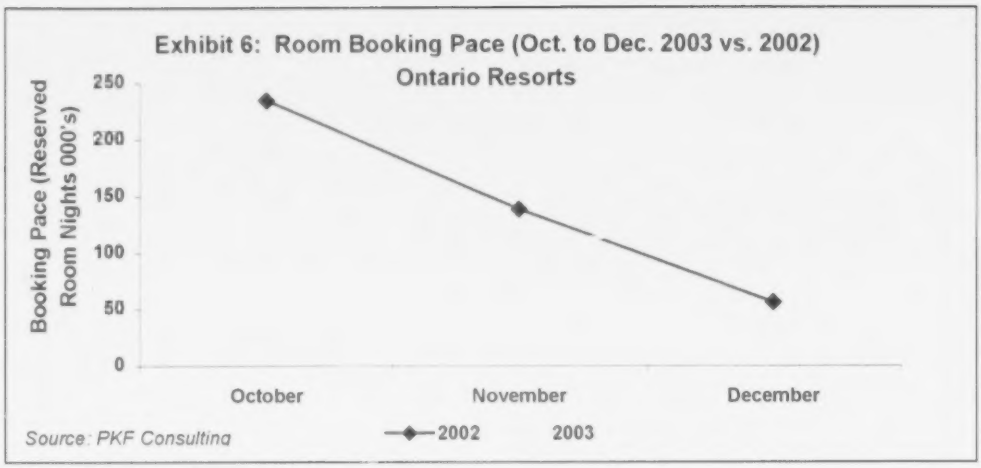
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Ontario Resort industry attributed most of their decreased demand in Quarter 3 2003 to economic conditions (46%) as well as "other reasons" (23%) and SARS (12%). Operators felt the West Nile Virus had very little impact on demand.
- The segment responsible for the largest demand decrease was meetings and convention travel at 74%, with independent travel second at 16%.
- Furthermore, the industry cited a decline in domestic travel as the main reason for the loss in business at 95%, with US travellers accounting for only 5% of the decline in accommodation demand.
- Based on the resort guest's primary mode of transportation used to arrive at the resort destination, all of the loss in Quarter 3 was attributable to a decline in the rubber-tire market – 95% automobile and 5% motorcoach.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 429,000 room nights or **75%** of October, November and December 2002's business was pre-booked. In comparison, as of September 30, 2003, **413,000 room nights** of business was pre-booked for Quarter 4– which means that close to **16,000 fewer room nights were pre-booked in Quarter 4 2003** as compared to the same period in 2002.
- This year's **Quarter 4 booking pace is down by 4%** in comparison to last year. From a monthly perspective, bookings for the months of October and November are down significantly year over year at –19% and –16%, respectively while December bookings are very strong up by nearly 50,000 rooms.



Q4 - Room Cancellations

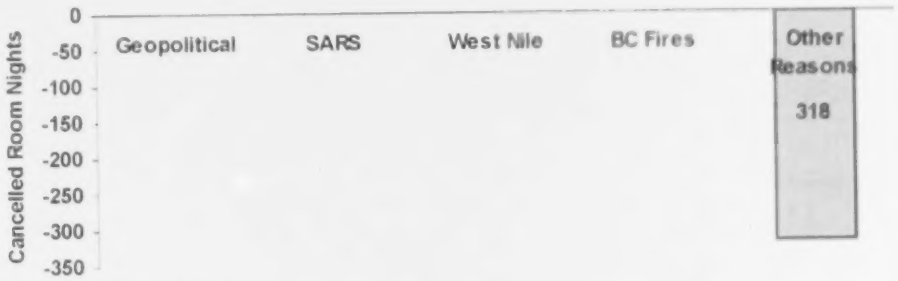
- Ontario Resorts only reported about 300 room cancellations for Quarter 4 2003 all of which are attributed to "other reasons".
- All of the Q3 room cancellations were attributable to "other reasons", which equates to a potential room revenue loss of $52,000. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th (cumulative)
Ontario Resorts	0	318
Cancelled Room Nights *Due to SARS*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Geopolitical Reasons*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to West Nile Virus*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to BSE*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Other Reasons*	0 *0%*	318 *100%*

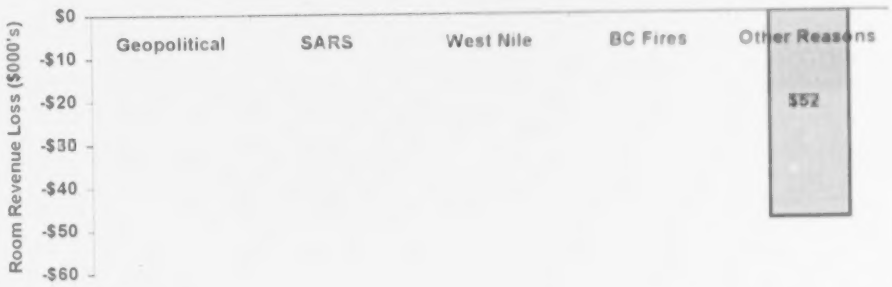
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003)
Ontario Resorts



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Ontario Resorts



Source: PKF Consulting

Ontario Resorts

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 PKF OUTLOOK AT JANUARY 1, 2003

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy (+2.0%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate (+2.0%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL RESULTS

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BOOKING PATTERNS

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% Of Rooms Sold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2003 BOOKINGS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% Of Rooms Sold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2002/2003 VARIANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL TO 2003 PKF OUTLOOK

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Ontario Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	7%	[illegible]	Business Travel	11%	[illegible]
Increased Competition	0%		Independent Leisure Travel	20%	[illegible]
Disruptive	25%	[illegible]	Group Leisure	4%	[illegible]
Gains	25%	[illegible]	Meetings/Conventions Travel	40%	[illegible]
Road Nos	1%	[illegible]	Government	3%	
Mail Cow	5%	[illegible]	Other	0%	
Other	37%	[illegible]			
Total	100%	(99,922)	Total	100%	(99,922)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	52%	[illegible]	Air	1%	[illegible]
US Travel	47%	[illegible]	Automobile	99%	[illegible]
Overseas Travel	1%	[illegible]	Motorcoach	2%	[illegible]
			Other	0%	
Total	100%	(99,922)	Total	100%	(99,922)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Disruptive	0%		Disruptive	0%	
Gains	100%	600	Gains	0%	
Road Nos	0%		Road Nos	0%	
Mail Cow	0%	0	Mail Cow	100%	0
Other	0%		Other	0%	
Total	100%	600	Total	100%	0
% Of 2002 Total	0%	$ 116,000	% Of 2002 Total	0%	$ 0

	Q3 Potential	Q4 Potential
Disruptive	$	$
Gains	$115,000	$
Road Nos	$	$
Mail Cow	$	$
Other	$	$
	$116,000	$0

MONTH OF JULY	Variance to PKF Forecast ($000)	-67,767
	Variance to 2002 Actuals ($000)	-65,265
MONTH OF AUG	Variance to PKF Forecast ($000)	-68,000
	Variance to 2002 Actuals ($000)	-65,732
MONTH OF SEPT	Variance to PKF Forecast ($000)	-65,930
	Variance to 2002 Actuals ($000)	-62,720

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	40%	[illegible]	Business Travel	0%	[illegible]
Increased Competition	0%	[illegible]	Independent Leisure Travel	15%	[illegible]
Disruptive	0%	[illegible]	Group Leisure	0%	[illegible]
Gains	0%	[illegible]	Meetings/Conventions Travel	0%	[illegible]
Road Nos	0%	[illegible]	Government	0%	[illegible]
US Travel	0%		Other	0%	
Other	0%	[illegible]			
Total	100%	(60,763)	Total	100%	(60,763)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	60%	[illegible]	Air	0%	[illegible]
US Travel	0%	[illegible]	Automobile	85%	[illegible]
Overseas Travel	0%	[illegible]	Motorcoach	0%	[illegible]
			Other	0%	
Total	100%	(60,763)	Total	100%	(60,763)

Q4 CANCELLATIONS	%	ORN
Disruptive	0%	
Gains	0%	
Road Nos	0%	
US Travel	0%	0
Other	100%	310
Total	100%	310
% Of 2002 Total	0%	$ 62,232

	Q4 Potential
Disruptive	$0
Gains	$0
Road Nos	$0
US Travel	$0
Other	$62,232
	$62,232

5.7 SOUTHERN ONTARIO MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Excluding the major markets of Toronto (GTA) and Windsor, Southern Ontario's accommodation market averaged 28,681 rooms in Quarter 3 2003 –up 438 guest rooms from Q3 2002 (1.6%).

Demand and Rate

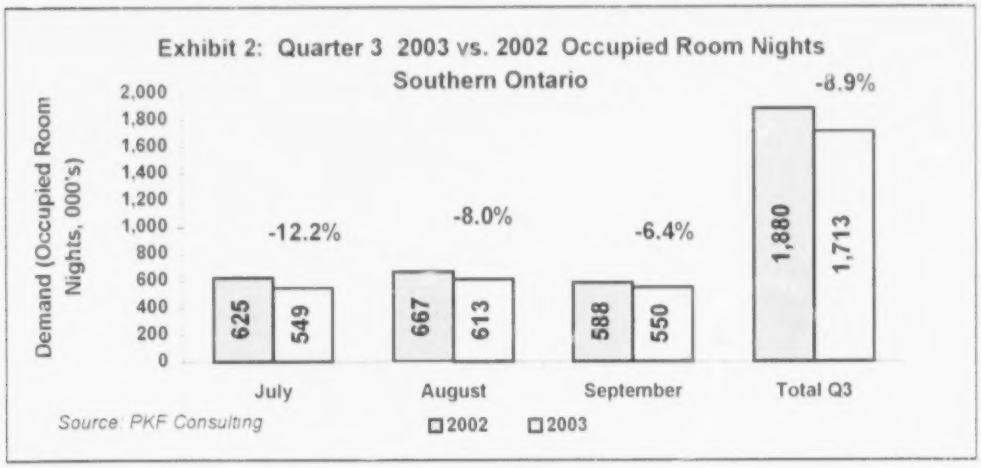
- During Quarter 3 2003, Southern Ontario's hotel market (excl. Toronto and Windsor) achieved a 65% occupancy at an average daily rate of $111. Occupancy levels were 7 percentage points lower than Quarter 3 of last year, and the average daily rate was down by approximately $10.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3- 2003 Occ.	Quarter 3- 2003 ADR	Quarter 3- 2002 Occ.	Quarter 3- 2002 ADR	% Change Demand	% Change ADR
London	62%	$93	64%	$96	-3%	-4%
KW/Cambridge/Guelph	66%	$92	72%	$92	-9%	1%
Niagara Falls	73%	$140	85%	$164	-13%	-14%
Other Niagara Region	58%	$92	68%	$97	-15%	-5%
Other Southern Ontario	58%	$96	64%	$97	-8%	-1%
Total Southern Ontario	**65%**	**$111**	**72%**	**$121**	**-9%**	**-9%**

Source: PKF Consulting

- Demand for the Southern Ontario accommodation market was **down by approximately 167,630 room nights or 8.9% in Quarter 3 2003**, as compared to the same quarter last year.



- While demand was up by 2.1% at the end of Quarter 1, and Quarter 2 results showed a decline of 9.4%, with Quarter 3 results showing a further 8.9% decline, bringing **year-to-date results for 2003 6.2% below results achieved in the first nine months of 2002.**

5.7 SOUTHERN ONTARIO MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

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Other Niagara Region	58%	$92	68%	$97	-15%	-5%
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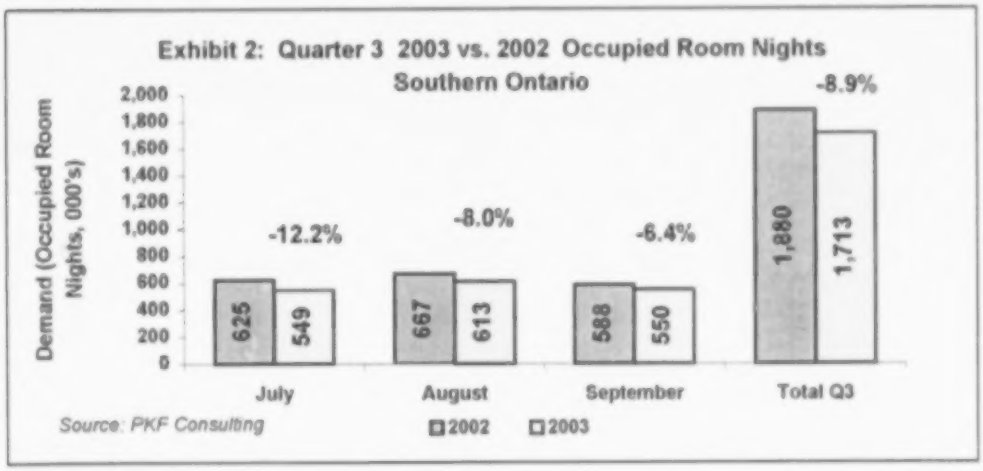
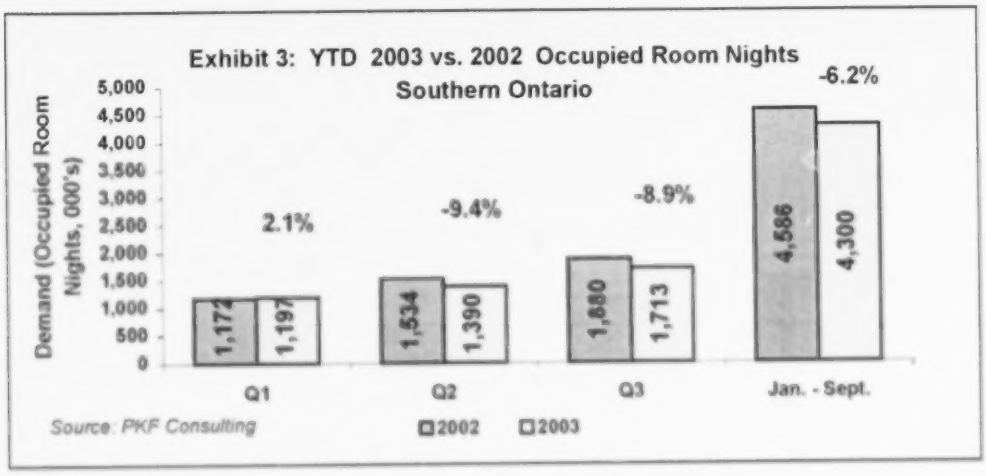


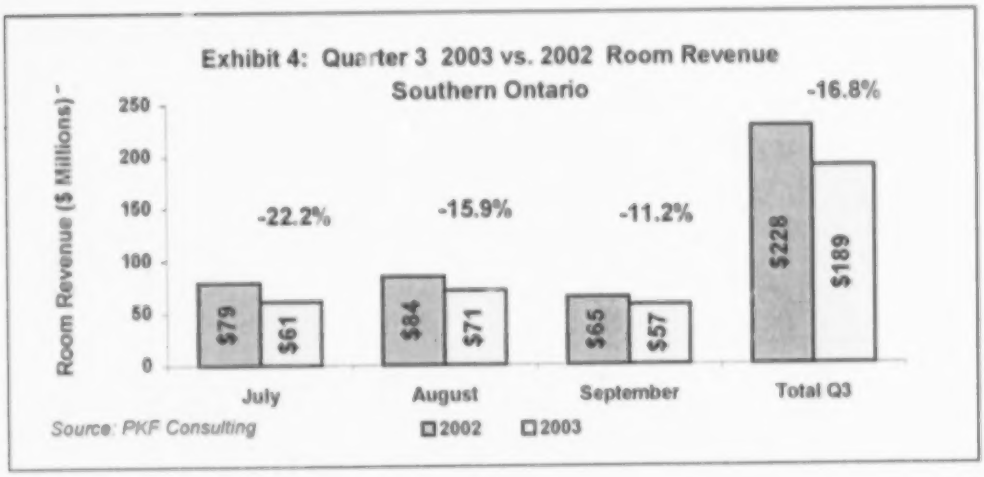
- While demand was up by 2.1% at the end of Quarter 1, and Quarter 2 results showed a decline of 9.4%, with Quarter 3 results showing a further 8.9% decline, bringing **year-to-date results for 2003 6.2% below results achieved in the first nine months of 2002.**



Room Revenue

- Southern Ontario's room revenue slid by 22.2% in July – the largest month over month decrease reported in 2003. August room revenues were down by 15.9%, with September's down by 11.2% from the same months last year.

- Overall, Quarter 3 room revenue was down by $38.2 Million (-16.8%) compared to the same period last year. Offset by the region's positive start to the year, year-to-date room revenue is down by $54.3 Million – 11% below last year's results.



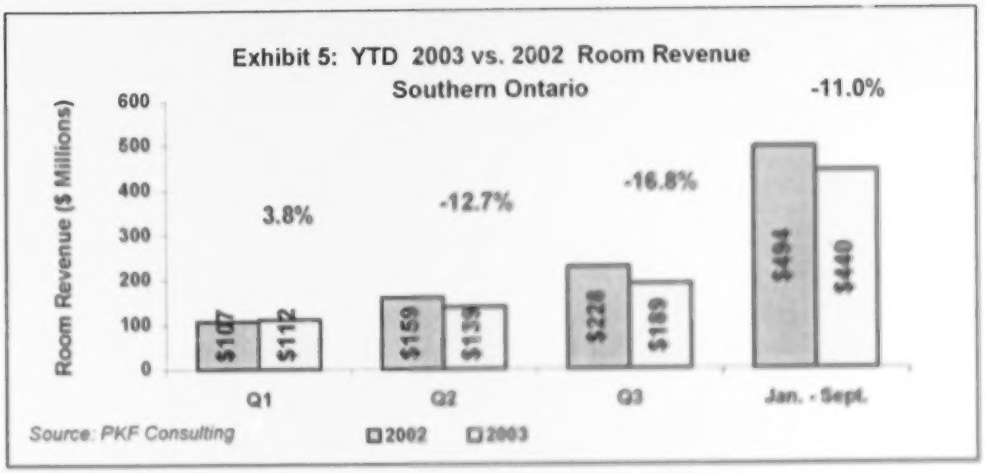


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Southern Ontario
Room Revenue ($ Millions)
600
500
400
300
200
100
0
3.8%
-12.7%
-16.8%
-11.0%
$107
$112
$159
$139
$228
$189
$494
$440
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

TOTAL SOUTHERN ONTARIO 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Total Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	28,232	28,254	28,243	28,243	28,243	28,243	28,243
Available Room Nights	2,540,880	2,571,125	5,112,005	875,537	875,537	847,294	2,598,367
Occupancy	46%	60%	53%	71%	76%	69%	72%
Occupied Room Nights	1,171,910	1,533,706	2,705,616	625,308	666,896	587,937	1,880,142
Average Daily Rate	$92	$104	$99	$126	$127	$110	$121
Rooms Revenue ($000)	$107,465	$159,131	$266,597	$78,683	$84,470	$64,503	$227,661

2003 PKF OUTLOOK AT JANUARY 1, 2003

Total Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	28,227	28,303	28,265	28,681	28,681	28,681	28,681
Available Room Nights	2,540,441	2,575,538	5,115,979	889,123	889,123	860,441	2,638,687
Occupancy (2% Demand Growth)	47%	61%	54%	72%	77%	70%	73%
Occupied Room Nights	1,195,349	1,564,380	2,759,729	637,815	680,234	599,696	1,917,745
Average Daily Rate (2% Rate Growth)	$94	$106	$101	$128	$129	$112	$124
Rooms Revenue ($000)	$111,807	$165,560	$277,367	$81,861	$87,889	$67,106	$236,858

2003 ACTUAL RESULTS

Total Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	28,227	28,303	28,265	28,681	28,681	28,681	28,681
Available Room Nights	2,540,441	2,575,538	5,115,979	889,123	889,123	860,441	2,638,687
Occupancy	47%	54%	51%	62%	69%	64%	65%
Occupied Room Nights	1,197,084	1,390,165	2,587,249	548,767	613,406	552,338	1,712,511
Average Daily Rate	$93	$105	$97	$112	$116	$104	$111
Rooms Revenue ($000)	$111,562	$138,894	$250,456	$61,209	$71,014	$57,266	$189,493

TOTAL SOUTHERN ONTARIO 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Total Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.2%	0.1%	1.6%	1.6%	1.6%	1.6%
Occupancy Points	1.0%	-5.7%	-2.4%	-9.7%	-7.2%	-5.4%	-7.5%
Occupied Room Nights	2.1%	-9.4%	-4.4%	-12.2%	-8.0%	-6.4%	-8.9%
Average Daily Rate	1.6%	-3.7%	-1.8%	-11.4%	-8.6%	-5.1%	-8.6%
Rooms Revenue ($000)	3.8%	-12.7%	-6.1%	-22.2%	-15.9%	-11.2%	-16.8%

2003 ACTUAL TO 2003 PKF OUTLOOK

Total Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.1%	-6.8%	-3.4%	-10.0%	-7.5%	-5.7%	-7.8%
Occupied Room Nights	0.1%	-11.1%	-6.2%	-14.0%	-9.8%	-8.2%	-10.7%
Average Daily Rate	-0.4%	-5.6%	-3.7%	-13.1%	-10.4%	-7.0%	-10.4%
Rooms Revenue ($000)	-0.2%	-16.1%	-9.7%	-25.2%	-19.2%	-14.7%	-20.0%
Variance to PKF Forecast ($000)	-$245	-$26,086	-$26,911	-$20,662	-$16,875	-$9,840	-$47,367
Variance to 2002 Actuals ($000)	$4,097	-$20,237	-$16,141	-$17,473	-$13,452	-$7,234	-$38,159

LONDON 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

London	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,671	2,671	2,671	2,671	2,671	2,671	2,671
Available Room Nights	240,390	243,061	483,451	82,801	82,801	80,130	245,732
Occupancy	54%	59%	56%	57%	64%	72%	64%
Occupied Room Nights	128,913	143,887	272,800	47,039	53,075	57,326	157,440
Average Daily Rate	$91	$94	$92	$93	$96	$99	$96
Rooms Revenue ($000)	$11,754	$13,494	$25,187	$4,369	$5,089	$5,694	$15,173

2003 PKF OUTLOOK AT JANUARY 1, 2003

London	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,671	2,671	2,671	2,671	2,671	2,671	2,671
Available Room Nights	240,390	243,061	483,451	82,801	82,801	80,130	245,732
Occupancy	55%	60%	58%	58%	69%	73%	65%
Occupied Room Nights (2% Demand Growth)	131,491	146,765	278,256	47,950	54,137	58,472	160,558
Average Daily Rate (2% Rate Growth)	$93	$96	$94	$95	$98	$101	$98
Rooms Revenue ($000)	$12,177	$14,038	$26,208	$4,566	$5,294	$5,924	$15,784

2003 ACTUAL RESULTS

London	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2,671	2,671	2,671	2,671	2,671	2,671	2,671
Available Room Nights	240,390	243,061	483,451	82,801	82,801	80,130	245,732
Occupancy	55%	57%	56%	56%	59%	71%	62%
Occupied Room Nights	132,913	138,376	271,189	46,642	48,679	57,077	152,397
Average Daily Rate	$94	$92	$93	$90	$92	$96	$93
Rooms Revenue ($000)	$12,439	$12,710	$25,150	$4,199	$4,463	$5,457	$14,119

LONDON 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

London	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	1.6%	-2.2%	-0.3%	-0.5%	-5.3%	-0.3%	-2.1%
Occupied Room Nights	3.0%	-3.8%	-0.6%	-0.6%	-8.3%	-0.4%	-3.2%
Average Daily Rate	3.2%	-2.0%	0.4%	-3.7%	-4.4%	-3.7%	-3.9%
Rooms Revenue ($000)	6.2%	-5.7%	-0.2%	-4.5%	-12.3%	-4.2%	-7.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

London	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.5%	-3.5%	-1.5%	-1.6%	-6.6%	-1.7%	-3.3%
Occupied Room Nights	1.0%	-5.7%	-2.5%	-2.8%	-10.1%	-2.4%	-5.1%
Average Daily Rate	1.1%	-3.9%	-1.5%	-5.6%	-6.2%	-5.6%	-5.8%
Rooms Revenue ($000)	2.2%	-9.4%	-4.0%	-8.2%	-15.7%	-7.9%	-10.6%
Variance to PKF Forecast ($000)	$262	-$1,318	-$1,055	-$375	-$831	-$467	-$1,674
Variance to 2002 Actuals ($000)	$735	-$771	-$38	-$199	-$626	-$237	-$1,061

K/W/CAMBRIDGE GUELPH 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

KW Cambridge Guelph	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,004	3,004	3,004	3,004	3,004	3,004	3,004
Available Room Nights	270,360	273,364	543,724	93,124	93,124	90,120	276,368
Occupancy	55%	63%	59%	65%	76%	76%	72%
Occupied Room Nights	148,590	171,758	320,347	60,978	70,933	68,230	200,140
Average Daily Rate	$92	$92	$92	$90	$91	$95	$92
Rooms Revenue ($000)	$13,613	$15,685	$29,497	$5,457	$6,434	$6,451	$18,343

2003 PKF OUTLOOK AT JANUARY 1, 2003

KW Cambridge Guelph	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,004	3,004	3,004	3,004	3,004	3,004	3,004
Available Room Nights	270,360	273,364	543,724	93,124	93,124	90,120	276,368
Occupancy (2% Demand Growth)	56%	64%	60%	67%	78%	77%	74%
Occupied Room Nights	151,562	175,193	326,754	62,197	72,351	69,594	204,143
Average Daily Rate (2% Rate Growth)	$93	$94	$94	$91	$93	$96	$93
Rooms Revenue ($000)	$14,163	$16,517	$30,680	$5,678	$6,693	$6,712	$19,083

2003 ACTUAL RESULTS

KW Cambridge Guelph	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,004	3,004	3,004	3,004	3,004	3,004	3,004
Available Room Nights	270,360	273,364	543,724	93,124	93,124	90,120	276,368
Occupancy	56%	63%	60%	57%	67%	75%	66%
Occupied Room Nights	152,273	171,335	323,608	52,941	62,653	67,410	183,014
Average Daily Rate	$93	$92	$92	$89	$91	$96	$92
Rooms Revenue ($000)	$14,127	$15,783	$29,909	$4,737	$5,714	$6,441	$16,892

K/W CAMBRIDGE GUELPH 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

KW Cambridge Guelph	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	1.4%	-0.2%	0.6%	-8.6%	-8.9%	-0.9%	-6.2%
Occupied Room Nights	2.5%	-0.2%	1.0%	-13.2%	-11.7%	-1.2%	-8.6%
Average Daily Rate	1.3%	-0.4%	0.4%	0.0%	0.5%	1.1%	0.7%
Rooms Revenue ($000)	3.8%	-0.6%	1.4%	-13.2%	-11.2%	-0.1%	-7.9%

2003 ACTUAL TO 2003 PKF OUTLOOK

KW Cambridge Guelph	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.3%	-1.4%	-0.6%	-9.9%	-10.4%	-2.4%	-7.6%
Occupied Room Nights	0.5%	-2.2%	-1.0%	-14.9%	-13.4%	-3.1%	-10.4%
Average Daily Rate	-0.7%	-2.4%	-1.6%	-2.0%	-1.4%	-0.9%	-1.4%
Rooms Revenue ($000)	-0.3%	-4.5%	-2.5%	-16.6%	-14.6%	-4.0%	-11.5%
Variance to PKF Forecast ($000)	-$30	-$744	-$780	-$941	-$979	-$267	-$2,187
Variance to 2002 Actuals ($000)	$514	-$102	$412	-$720	-$719	-$8	-$1,446

OTHER NIAGARA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Niagara Region	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,968	1,968	1,968	1,968	1,968	1,968	1,968
Available Room Nights	177,120	179,088	356,208	61,008	61,008	59,040	181,056
Occupancy	40%	50%	45%	71%	70%	64%	68%
Occupied Room Nights	70,972	90,169	161,141	43,102	42,571	37,668	123,341
Average Daily Rate	$78	$88	$83	$99	$100	$93	$97
Rooms Revenue ($000)	$5,523	$7,928	$13,451	$4,264	$4,243	$3,513	$12,020

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Niagara Region	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,968	1,968	1,968	1,968	1,968	1,968	1,968
Available Room Nights	177,120	179,088	356,208	61,008	61,008	59,040	181,056
Occupancy (2% Demand Growth)	41%	51%	46%	72%	71%	65%	69%
Occupied Room Nights	72,391	91,972	164,363	43,964	43,423	38,421	125,808
Average Daily Rate (2% Rate Growth)	$79	$90	$85	$101	$102	$95	$99
Rooms Revenue ($000)	$5,746	$8,248	$13,994	$4,436	$4,415	$3,655	$12,505

2003 ACTUAL RESULTS

Other Niagara Region	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,968	1,968	1,968	1,968	1,968	1,968	1,968
Available Room Nights	177,120	179,088	356,208	61,008	61,008	59,040	181,056
Occupancy	41%	52%	46%	54%	62%	58%	58%
Occupied Room Nights	72,783	92,784	165,566	33,097	37,666	33,978	104,741
Average Daily Rate	$80	$88	$85	$92	$94	$90	$92
Rooms Revenue ($000)	$5,844	$8,178	$14,022	$3,041	$3,554	$3,074	$9,669

OTHER NIAGARA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Niagara Region	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	1.0%	1.5%	1.2%	-16.4%	-8.0%	-6.3%	-10.3%
Occupied Room Nights	2.6%	2.9%	2.7%	-23.2%	-11.5%	-9.8%	-15.1%
Average Daily Rate	3.2%	0.2%	1.5%	-7.1%	-5.3%	-3.0%	-5.3%
Rooms Revenue ($000)	5.8%	3.2%	4.2%	-28.7%	-16.2%	-12.5%	-19.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Niagara Region	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.2%	0.5%	0.3%	-17.8%	-9.4%	-7.5%	-11.6%
Occupied Room Nights	0.5%	0.9%	0.7%	-24.7%	-13.3%	-11.6%	-16.7%
Average Daily Rate	1.2%	-1.7%	-0.5%	-8.9%	-7.2%	-4.9%	-7.1%
Rooms Revenue ($000)	1.7%	-0.9%	0.2%	-31.4%	-19.5%	-15.9%	-22.7%
Variance to PKF Forecast ($000)	*$98*	*-$70*	*$28*	*-$1,395*	*-$861*	*-$581*	*-$2,836*
Variance to 2002 Actuals ($000)	*$321*	*$250*	*$571*	*-$1,222*	*-$689*	*-$439*	*-$2,351*

OTHER SOUTHERN ONTARIO 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,966	5,988	5,977	5,977	5,977	5,977	5,977
Available Room Nights	536,940	544,919	1,081,859	185,291	185,291	179,314	549,895
Occupancy	43%	55%	49%	64%	69%	60%	64%
Occupied Room Nights	230,950	298,022	528,972	118,586	126,924	106,692	352,202
Average Daily Rate	$88	$91	$90	$95	$99	$95	$97
Rooms Revenue ($000)	$20,325	$27,070	$47,395	$11,266	$12,593	$10,136	$33,995

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	6,019	6,045	6,032	6,110	6,110	6,110	6,110
Available Room Nights	541,721	550,140	1,091,861	189,422	189,422	183,311	562,155
Occupancy (2% Demand Growth)	43%	55%	49%	64%	68%	59%	64%
Occupied Room Nights	235,569	303,983	539,551	120,958	129,463	108,825	359,246
Average Daily Rate (2% Rate Growth)	$90	$93	$91	$97	$101	$97	$98
Rooms Revenue ($000)	$21,146	$28,164	$49,310	$11,721	$13,102	$10,545	$35,368

2003 ACTUAL RESULTS

Other Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	6,019	6,045	6,032	6,110	6,110	6,110	6,110
Available Room Nights	541,721	550,140	1,091,861	189,422	189,422	183,311	562,155
Occupancy	44%	48%	46%	57%	62%	56%	58%
Occupied Room Nights	236,184	266,486	502,670	107,213	117,631	101,811	326,655
Average Daily Rate	$88	$92	$90	$95	$97	$95	$96
Rooms Revenue ($000)	$20,872	$24,520	$45,392	$10,184	$11,467	$9,626	$31,277

OTHER SOUTHERN ONTARIO 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.9%	1.0%	0.9%	2.2%	2.2%	2.2%	2.2%
Occupancy Points	0.6%	-6.3%	-2.9%	-7.4%	-6.4%	-4.0%	-5.9%
Occupied Room Nights	2.3%	-10.6%	-5.0%	-9.6%	-7.3%	-4.6%	-7.3%
Average Daily Rate	0.4%	1.3%	0.8%	0.0%	-1.8%	-0.5%	-0.8%
Rooms Revenue ($000)	2.7%	-9.4%	-4.2%	-9.6%	-8.9%	-5.0%	-8.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Southern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.1%	-6.8%	-3.4%	-7.3%	-6.2%	-3.8%	-5.8%
Occupied Room Nights	0.3%	-12.3%	-6.8%	-11.4%	-9.1%	-6.4%	-9.1%
Average Daily Rate	-1.6%	-0.7%	-1.2%	-2.0%	-3.7%	-2.4%	-2.7%
Rooms Revenue ($000)	-1.3%	-12.9%	-7.9%	-13.1%	-12.5%	-8.7%	-11.6%
Variance to PKF Forecast ($000)	*-$274*	*-$3,644*	*-$3,918*	*-$1,537*	*-$1,636*	*-$919*	*-$4,091*
Variance to 2002 Actuals ($000)	*$547*	*-$2,551*	*-$2,003*	*-$1,082*	*-$1,127*	*-$509*	*-$2,718*

5.8 EASTERN ONTARIO MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Excluding the major market of Ottawa, Eastern Ontario's accommodation market was 8,290 rooms in Quarter 3 2003 – the same as in Q3 2002

Demand and Rate

- During Quarter 3 2003, Eastern Ontario's hotel market (excl. Ottawa) achieved a 69% occupancy at an average daily rate of $103. Occupancy levels were off by 8 percentage points from Quarter 3 of last year, however the average daily rate was up by approximately $1.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Kingston	72%	$119	79%	$116	-9%	2%
Other Eastern Ontario	67%	$95	74%	$94	-9%	1%
Total Eastern Ontario	**69%**	**$103**	**75%**	**$102**	**-9%**	**1%**

Source: PKF Consulting

- Demand for the Eastern Ontario accommodation market was **down by approximately 50,265 room nights or 8.7% in Quarter 3 2003**, as compared to the 3rd quarter of 2002.

- The Eastern Ontario market has not fared well this year– Demand was down by 0.9% at the end of Q1, with a further 10.3% decline in Q2, followed by another 8.7% decline in Q3, **bringing year-to-date results for 2003, 7.3% below results achieved in the first nine months of 2002.**

5.8 EASTERN ONTARIO MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Excluding the major market of Ottawa, Eastern Ontario's accommodation market was 8,290 rooms in Quarter 3 2003 – the same as in Q3 2002.

Demand and Rate

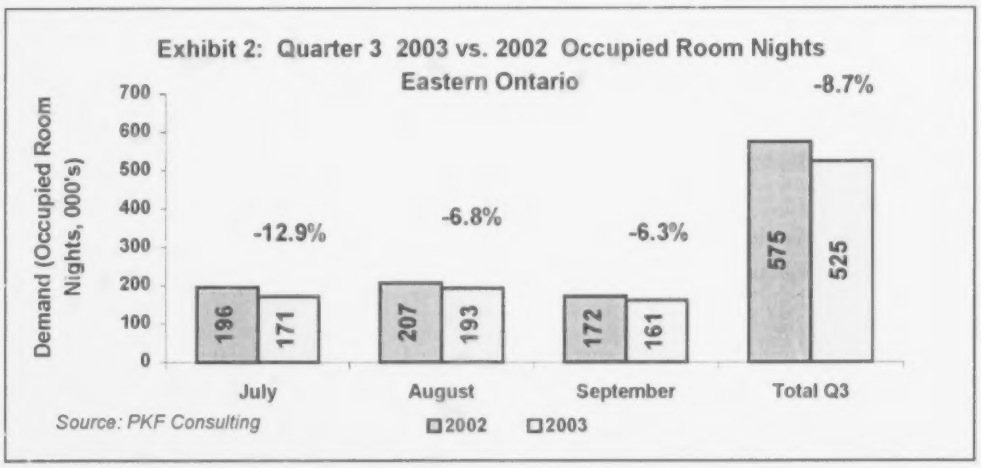
- During Quarter 3 2003, Eastern Ontario's hotel market (excl. Ottawa) achieved a 69% occupancy at an average daily rate of $103. Occupancy levels were off by 8 percentage points from Quarter 3 of last year, however the average daily rate was up by approximately $1.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

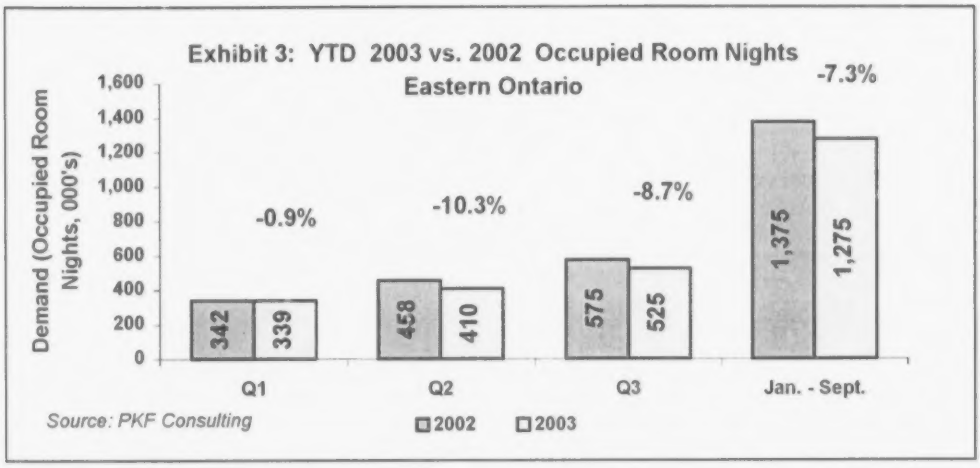
	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Kingston	72%	$119	79%	$116	-9%	2%
Other Eastern Ontario	67%	$95	74%	$94	-9%	1%
Total Eastern Ontario	**69%**	**$103**	**75%**	**$102**	**-9%**	**1%**

Source: PKF Consulting

- Demand for the Eastern Ontario accommodation market was **down by approximately 50,265 room nights or 8.7% in Quarter 3 2003**, as compared to the 3rd quarter of 2002.

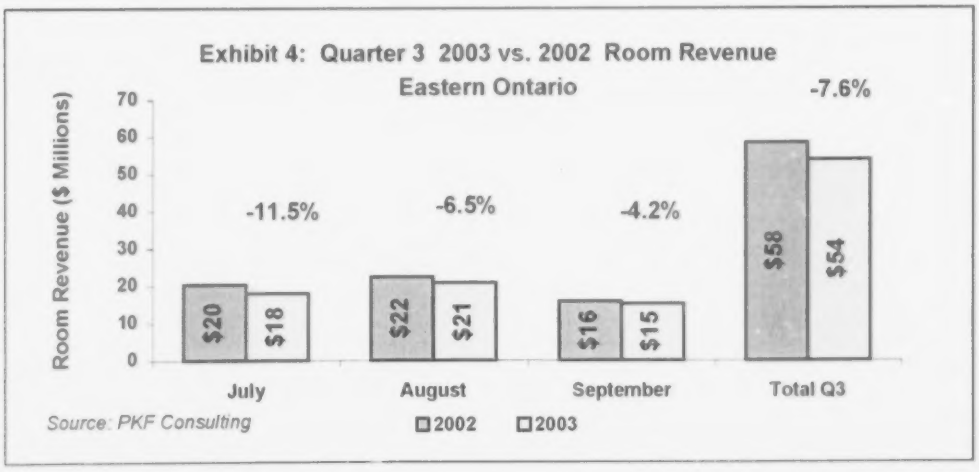


- The Eastern Ontario market has not fared well this year– Demand was down by 0.9% at the end of Q1, with a further 10.3% decline in Q2, followed by another 8.7% decline in Q3, **bringing year-to-date results for 2003, 7.3% below results achieved in the first nine months of 2002.**



Room Revenue

- Eastern Ontario's room revenue declined by 11.5% in July and 6.5% in August, and dropped behind by a further 4.2% in September.
- Overall, Quarter 3 room revenue was down by $4.4 Million (-7.6%) compared to the same period last year. While the industry enjoyed a 3.6% increase in room revenue during Quarter 1, the losses in Quarters 2 and 3 have resulted in a year-to-date room revenue loss of $7.3 Million --- 5.7% below last year's results.



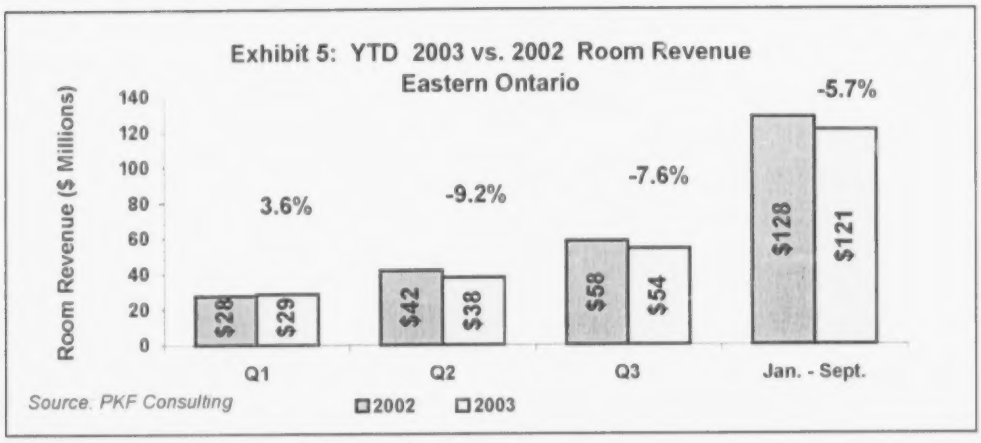


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Eastern Ontario
Room Revenue ($ Millions)
140
120
100
80
60
40
20
0
3.6%
-9.2%
-7.6%
-5.7%
$28
$29
$42
$38
$58
$54
$128
$121
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

EASTERN ONTARIO 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

EASTERN ONTARIO (excl Ottawa)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Available Room Nights	746,100	754,390	1,500,490	256,990	256,990	248,700	762,680
Occupancy	46%	61%	53%	78%	80%	69%	75%
Occupied Room Nights	342,087	457,539	799,626	196,469	206,748	172,001	575,218
Average Daily Rate	$81	$92	$87	$103	$108	$92	$102
Rooms Revenue ($000)	$27,838	$41,890	$69,728	$20,289	$22,327	$15,815	$58,433

2003 PKF OUTLOOK AT JANUARY 1, 2003

EASTERN ONTARIO (excl Ottawa)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Available Room Nights	746,100	754,390	1,500,490	256,990	256,990	248,700	762,680
Occupancy	47%	62%	54%	78%	82%	71%	77%
Occupied Room Nights (2% Demand Growth)	348,929	466,690	815,619	200,398	210,883	175,441	586,723
Average Daily Rate (2% Rate Growth)	$83	$93	$89	$105	$110	$94	$104
Rooms Revenue ($000)	$28,963	$43,582	$72,545	$21,109	$23,229	$16,454	$60,793

2003 ACTUAL RESULTS

EASTERN ONTARIO (excl Ottawa)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	8,290	8,290	8,290	8,290	8,290	8,290	8,290
Available Room Nights	746,100	754,390	1,500,490	256,990	256,990	248,700	762,680
Occupancy	45%	54%	50%	67%	75%	65%	69%
Occupied Room Nights	339,144	410,435	749,578	171,181	192,665	161,108	524,954
Average Daily Rate	$85	$93	$89	$105	$108	$94	$103
Rooms Revenue ($000)	$28,842	$38,017	$66,859	$17,960	$20,877	$15,146	$53,983

EASTERN ONTARIO 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

EASTERN ONTARIO (excl Ottawa)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	-0.4%	-6.2%	-3.3%	-9.8%	-5.5%	-4.4%	-6.6%
Occupied Room Nights	-0.9%	-10.3%	-6.3%	-12.9%	-6.8%	-6.3%	-8.7%
Average Daily Rate	4.5%	1.2%	2.3%	1.6%	0.3%	2.2%	1.2%
Rooms Revenue ($000)	3.6%	-9.2%	-4.1%	-11.5%	-6.5%	-4.2%	-7.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

EASTERN ONTARIO (excl Ottawa)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-1.3%	-7.5%	-4.4%	-11.4%	-7.1%	-5.8%	-8.1%
Occupied Room Nights	-2.8%	-12.1%	-8.1%	-14.6%	-8.6%	-8.2%	-10.5%
Average Daily Rate	2.5%	-0.8%	0.3%	-0.4%	-1.6%	0.2%	-0.8%
Rooms Revenue ($000)	-0.4%	-12.8%	-7.8%	-14.9%	-10.1%	-8.0%	-11.2%
Variance to PKF Forecast ($000)	*-$120*	*-$5,586*	*-$5,686*	*-$3,149*	*-$2,352*	*-$1,309*	*-$6,809*
Variance to 2002 Actuals ($000)	*$1,004*	*-$3,873*	*-$2,869*	*-$2,329*	*-$1,450*	*-$670*	*-$4,448*

KINGSTON 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Kingston	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Available Room Nights	176,760	178,724	355,484	60,884	60,884	58,920	180,688
Occupancy	51%	62%	57%	78%	81%	78%	79%
Occupied Room Nights	89,564	111,521	201,085	47,623	49,176	45,775	142,574
Average Daily Rate	$82	$103	$94	$118	$125	$105	$116
Rooms Revenue ($000)	$7,315	$11,530	$18,844	$5,596	$6,144	$4,807	$16,547

2003 PKF OUTLOOK AT JANUARY 1, 2003

Kingston	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Available Room Nights	176,760	178,724	355,484	60,884	60,884	58,920	180,688
Occupancy	52%	64%	58%	80%	82%	79%	80%
Occupied Room Nights (2% Growth)	91,356	113,751	205,107	48,576	50,160	46,690	145,426
Average Daily Rate (2% Growth)	$83	$105	$96	$120	$127	$107	$118
Rooms Revenue ($000)	$7,610	$11,995	$19,606	$5,822	$6,392	$5,001	$17,216

2003 ACTUAL RESULTS

Kingston	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Available Room Nights	176,760	178,724	355,484	60,884	60,884	58,920	180,688
Occupancy	48%	61%	54%	68%	79%	69%	72%
Occupied Room Nights	84,914	108,259	193,173	41,499	48,074	40,484	130,056
Average Daily Rate	$87	$105	$97	$122	$126	$107	$119
Rooms Revenue ($000)	$7,406	$11,334	$18,740	$5,047	$6,065	$4,341	$15,454

KINGSTON 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Kingston	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	-2.6%	-1.8%	-2.2%	-10.1%	-1.8%	-9.0%	-6.9%
Occupied Room Nights	-5.2%	-2.9%	-3.9%	-12.9%	-2.2%	-11.6%	-8.8%
Average Daily Rate	6.8%	1.3%	3.5%	3.5%	1.0%	2.1%	2.4%
Rooms Revenue ($000)	1.2%	-1.7%	-0.6%	-9.8%	-1.3%	-9.7%	-6.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

Kingston	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-3.6%	-3.1%	-3.4%	-11.6%	-3.4%	-10.5%	-8.5%
Occupied Room Nights	-7.1%	-4.8%	-5.8%	-14.6%	-4.2%	-13.3%	-10.6%
Average Daily Rate	4.7%	-0.7%	1.5%	1.5%	-1.0%	0.1%	0.4%
Rooms Revenue ($000)	-2.7%	-5.5%	-4.4%	-13.3%	-5.1%	-13.2%	-10.2%
Variance to PKF Forecast ($000)	*-$204*	*-$661*	*-$866*	*-$775*	*-$327*	*-$660*	*-$1,762*
Variance to 2002 Actuals ($000)	*$91*	*-$195*	*-$104*	*-$549*	*-$79*	*-$466*	*-$1,094*

OTHER EASTERN ONTARIO 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Eastern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	6,326	6,326	6,326	6,326	6,326	6,326	6,326
Available Room Nights	569,340	575,666	1,145,006	196,106	196,106	189,780	581,992
Occupancy	43%	60%	51%	76%	80%	65%	74%
Occupied Room Nights	245,898	343,470	589,368	148,099	157,434	123,775	429,308
Average Daily Rate	$81	$85	$83	$96	$99	$85	$94
Rooms Revenue ($000)	$20,026	$29,077	$49,103	$14,145	$15,578	$10,492	$40,215

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Eastern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	6,326	6,326	6,326	6,326	6,326	6,326	6,326
Available Room Nights	569,340	575,666	1,145,006	196,106	196,106	189,780	581,992
Occupancy (2% Demand Growth)	44%	61%	53%	77%	82%	67%	75%
Occupied Room Nights	250,816	350,340	601,155	151,061	160,583	126,250	437,894
Average Daily Rate (2% Rate Growth)	$83	$86	$85	$97	$101	$86	$96
Rooms Revenue ($000)	$20,835	$30,252	$51,087	$14,716	$16,207	$10,916	$41,840

2003 ACTUAL RESULTS

Other Eastern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	6,326	6,326	6,326	6,326	6,326	6,326	6,326
Available Room Nights	569,340	575,666	1,145,006	196,106	196,106	189,780	581,992
Occupancy	43%	51%	47%	66%	73%	63%	67%
Occupied Room Nights	246,012	296,260	542,272	129,195	143,295	119,296	391,785
Average Daily Rate	$83	$86	$85	$97	$99	$87	$95
Rooms Revenue ($000)	$20,424	$25,399	$45,822	$12,491	$14,218	$10,378	$37,086

OTHER EASTERN ONTARIO 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Eastern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	0.0%	-8.2%	-4.1%	-9.6%	-7.2%	-2.4%	-6.4%
Occupied Room Nights	0.0%	-13.7%	-8.0%	-12.8%	-9.0%	-3.6%	-8.7%
Average Daily Rate	1.9%	1.3%	1.4%	1.2%	0.3%	2.6%	1.0%
Rooms Revenue ($000)	2.0%	-12.7%	-6.7%	-11.7%	-8.7%	-1.1%	-7.8%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Eastern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.8%	-9.4%	-5.1%	-11.2%	-8.8%	-3.7%	-7.9%
Occupied Room Nights	-1.9%	-15.4%	-9.8%	-14.5%	-10.8%	-5.5%	-10.5%
Average Daily Rate	-0.1%	-0.7%	-0.6%	-0.8%	-1.7%	0.6%	-0.9%
Rooms Revenue ($000)	-2.0%	-16.0%	-10.3%	-15.1%	-12.3%	-4.9%	-11.4%
Variance to PKF Forecast ($000)	*-$411*	*-$4,853*	*-$5,264*	*-$2,226*	*-$1,990*	*-$539*	*-$4,754*
Variance to 2002 Actuals ($000)	*$398*	*-$3,678*	*-$3,281*	*-$1,054*	*-$1,360*	*-$115*	*-$3,130*

5.9 NORTHERN ONTARIO MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Northern Ontario's accommodation market was 9,348 rooms in Quarter 3 2003 – an increase of 68 guest rooms compared to Q3 2002.

Demand and Rate

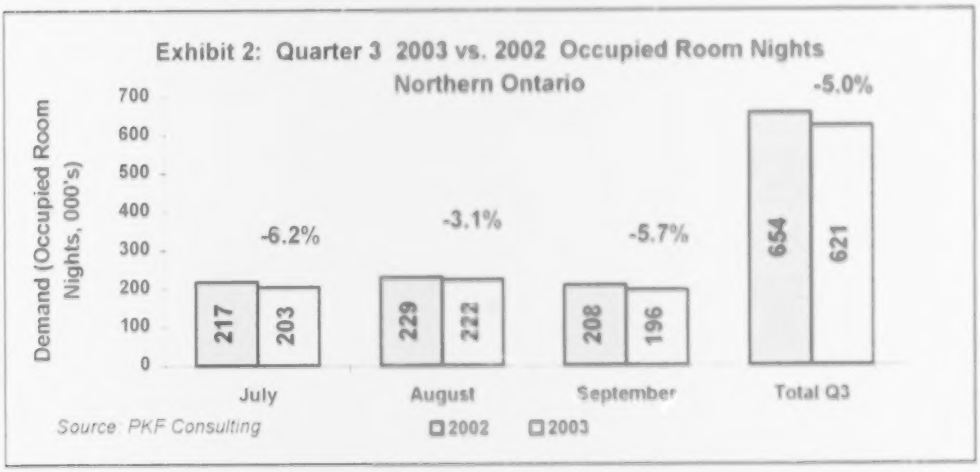
- During Quarter 3 2003, Northern Ontario's hotel market achieved a 72% occupancy at an average daily rate of $89. Occupancy levels were 4 points lower than Quarter 3 of last year, and the average daily rate was down by approximately $2.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
North Bay	68%	$93	70%	$97	-4%	-4%
Sudbury	72%	$87	75%	$87	-4%	1%
Sault Ste. Marie	72%	$95	79%	$101	-4%	-6%
Total Northern Ontario	**72%**	**$89**	**77%**	**$91**	**-5%**	**-2%**

Source: PKF Consulting

- Demand for the Northern Ontario accommodation market was **down by approximately 32,430 room nights or 5.0% in Quarter 3 2003**, as compared to Q3 2002.



- While demand was ahead by 4.9% at the end of Quarter 1, and Quarter 2 results showed a marginal decline of 1.6%, Quarter 3 was 5.0% behind last year, bringing **year-to-date results for 2003, 1.1% behind results achieved in the first nine months of 2002.**

5.9 NORTHERN ONTARIO MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

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Demand and Rate

- During Quarter 3 2003, Northern Ontario's hotel market achieved a 72% occupancy at an average daily rate of $89. Occupancy levels were 4 points lower than Quarter 3 of last year, and the average daily rate was down by approximately $2.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
North Bay	66%	$83	70%	$87	-4%	-4%
Sudbury	72%	$87	75%	$87	-4%	1%
Sault Ste. Marie	72%	$95	79%	$101	-4%	-6%
Total Northern Ontario	**72%**	**$89**	**77%**	**$91**	**-6%**	**-2%**

Source: PKF Consulting

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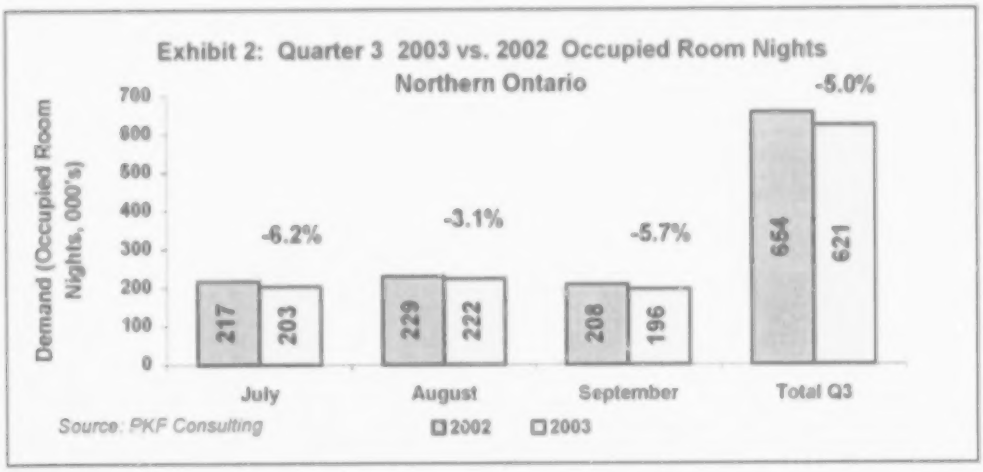
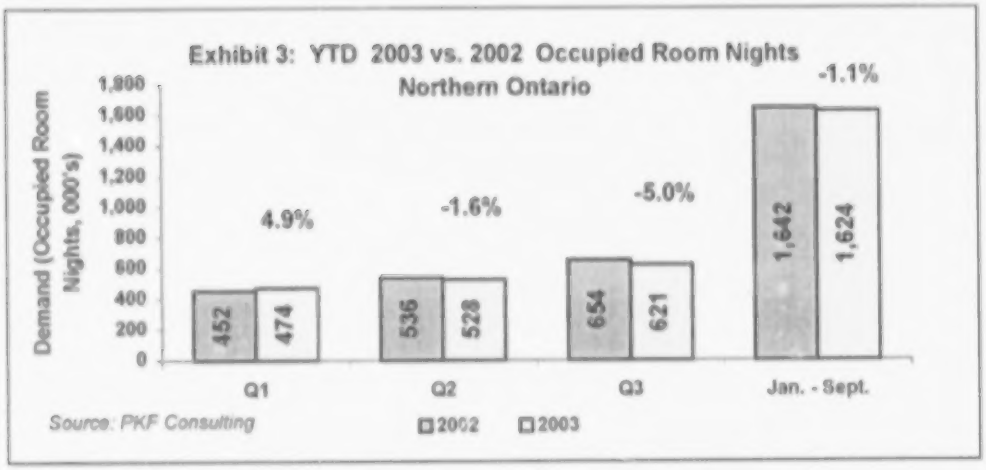
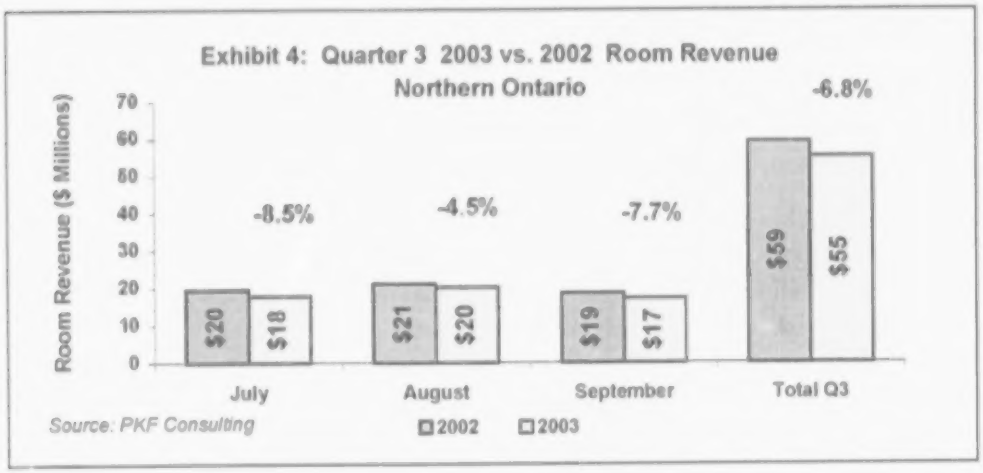


- While demand was ahead by 4.9% at the end of Quarter 1, and Quarter 2 results showed a marginal decline of 1.6%, Quarter 3 was 5.0% behind last year, bringing **year-to-date results for 2003, 1.1% behind results achieved in the first nine months of 2002.**



Room Revenue

- Northern Ontario's room revenue slipped behind by 8.5% in July, with a further 4.5% decline in August, and 7.7% fall off in September.
- After showing a strong improvement in Quarter 1, followed by a modest improvement in Quarter 2, Quarter 3 room revenue fell by $4 Million or 6.8% below the same quarter last year. As such, year-to-date room revenue is behind by approximately 1% -- $1.2 Million below last year's results.



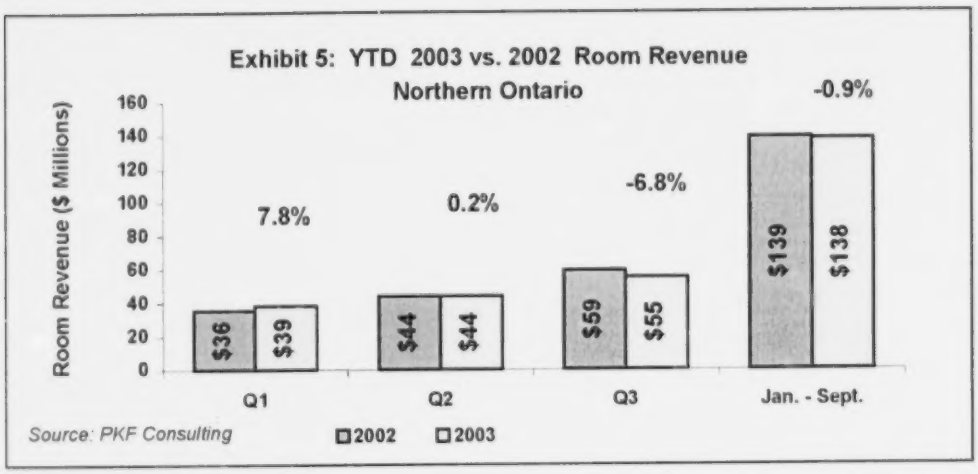


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Northern Ontario
Room Revenue ($ Millions)
160
140
120
100
80
60
40
20
0
7.8%
0.2%
-6.8%
-0.9%
$36
$39
$44
$44
$59
$55
$139
$138
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

TOTAL NORTHERN ONTARIO 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Total Northern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	9,280	9,280	9,280	9,280	9,280	9,280	9,280
Available Room Nights	835,200	844,480	1,679,680	287,680	287,680	278,400	853,760
Occupancy	54%	64%	59%	75%	80%	75%	77%
Occupied Room Nights	452,196	536,403	988,598	216,911	228,993	207,686	653,590
Average Daily Rate	$79	$82	$81	$90	$92	$90	$91
Rooms Revenue ($000)	$35,778	$43,905	$79,683	$19,520	$21,008	$18,652	$59,178

2003 PKF OUTLOOK AT JANUARY 1, 2003

Total Northern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	9,348	9,348	9,348	9,348	9,348	9,348	9,348
Available Room Nights	841,320	850,668	1,691,988	289,788	289,788	280,440	860,016
Occupancy (3% Demand Growth)	55%	65%	60%	77%	81%	76%	78%
Occupied Room Nights	465,762	552,496	1,018,256	223,418	235,863	213,917	673,198
Average Daily Rate (2% Rate Growth)	$81	$83	$82	$92	$94	$92	$92
Rooms Revenue ($000)	$37,588	$46,127	$83,715	$20,507	$22,068	$19,596	$62,172

2003 ACTUAL RESULTS

Total Northern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	9,348	9,348	9,348	9,348	9,348	9,348	9,348
Available Room Nights	841,320	850,668	1,691,988	289,788	289,788	280,440	860,016
Occupancy	56%	62%	59%	70%	77%	70%	72%
Occupied Room Nights	474,476	527,882	1,002,358	203,431	221,978	196,747	621,156
Average Daily Rate	$81	$83	$82	$88	$90	$88	$89
Rooms Revenue ($000)	$38,554	$43,976	$82,530	$17,865	$20,067	$17,218	$55,150

TOTAL NORTHERN ONTARIO 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Total Northern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Occupancy Points	2.3%	-1.5%	0.4%	-5.2%	-3.0%	-4.8%	-4.3%
Occupied Room Nights	4.9%	-1.6%	1.4%	-6.2%	-3.1%	-5.7%	-5.0%
Average Daily Rate	2.7%	1.8%	2.2%	-2.4%	-1.4%	-2.1%	-1.9%
Rooms Revenue ($000)	7.8%	0.2%	3.6%	-8.5%	-4.5%	-7.7%	-6.8%

2003 ACTUAL TO 2003 PKF OUTLOOK

Total Northern Ontario	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	1.0%	-2.9%	-0.9%	-6.9%	-4.8%	-6.5%	-6.1%
Occupied Room Nights	1.9%	-4.5%	-1.6%	-8.9%	-5.9%	-8.5%	-7.7%
Average Daily Rate	0.7%	-0.2%	0.1%	-4.3%	-3.4%	-4.0%	-3.9%
Rooms Revenue ($000)	2.6%	-4.7%	-1.4%	-12.9%	-9.1%	-12.1%	-11.3%
Variance to PKF Forecast ($000)	*$965*	*-$2,150*	*-$1,185*	*-$2,642*	*-$2,002*	*-$2,378*	*-$7,022*
Variance to 2002 Actuals ($000)	*$2,776*	*$71*	*$2,847*	*-$1,654*	*-$939*	*-$1,434*	*-$4,028*

NORTH BAY 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

North Bay	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	809	809	809	809	809	809	809
Available Room Nights	72,810	73,619	146,429	25,079	25,079	24,270	74,428
Occupancy	53%	57%	55%	67%	77%	67%	70%
Occupied Room Nights	38,626	42,281	80,907	16,878	19,198	16,258	52,335
Average Daily Rate	$83	$89	$86	$97	$103	$92	$97
Rooms Revenue ($000)	$3,190	$3,743	$6,934	$1,630	$1,977	$1,494	$5,101

2003 PKF OUTLOOK AT JANUARY 1, 2003

North Bay	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	809	809	809	809	809	809	809
Available Room Nights	72,810	73,619	146,429	25,079	25,079	24,270	74,428
Occupancy (2% Demand Growth)	54%	59%	56%	69%	78%	68%	72%
Occupied Room Nights	39,398	43,127	82,525	17,216	19,582	16,584	53,381
Average Daily Rate (2% Rate Growth)	$84	$90	$87	$99	$105	$94	$99
Rooms Revenue ($000)	$3,319	$3,894	$7,214	$1,696	$2,057	$1,555	$5,307

2003 ACTUAL RESULTS

North Bay	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	809	809	809	809	809	809	809
Available Room Nights	72,810	73,619	146,429	25,079	25,079	24,270	74,428
Occupancy	56%	56%	56%	65%	79%	59%	68%
Occupied Room Nights	40,718	41,265	81,983	16,246	19,745	14,356	50,347
Average Daily Rate	$82	$87	$85	$92	$100	$86	$93
Rooms Revenue ($000)	$3,352	$3,598	$6,950	$1,490	$1,976	$1,232	$4,698

NORTH BAY 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

North Bay	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	2.9%	-1.4%	0.7%	-2.5%	2.2%	-7.8%	-2.7%
Occupied Room Nights	5.4%	-2.4%	1.3%	-3.7%	2.8%	11.7%	-3.8%
Average Daily Rate	-0.3%	-1.5%	-1.1%	-5.0%	-2.8%	-6.6%	-4.3%
Rooms Revenue ($000)	5.1%	-3.9%	0.2%	-8.6%	-0.1%	-17.5%	-7.9%

2003 ACTUAL TO 2003 PKF OUTLOOK

North Bay	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	1.8%	-2.5%	-0.4%	-3.9%	0.6%	-9.2%	-4.1%
Occupied Room Nights	3.3%	-4.3%	-0.7%	-5.6%	0.8%	-13.4%	-5.7%
Average Daily Rate	-2.3%	-3.4%	-3.0%	-6.9%	-4.7%	-8.4%	-6.1%
Rooms Revenue ($000)	1.0%	-7.6%	-3.7%	-12.1%	-3.9%	-20.7%	-11.5%
Variance to PKF Forecast ($000)	*$32*	*-$296*	*-$263*	*-$205*	*-$91*	*-$323*	*-$609*
Variance to 2002 Actuals ($000)	*$161*	*-$145*	*$17*	*-$140*	*-$1*	*-$262*	*-$403*

SUDBURY 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Sudbury	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,268	1,268	1,268	1,268	1,268	1,268	1,268
Available Room Nights	114,120	115,388	229,508	39,308	39,308	38,040	116,656
Occupancy	52%	66%	59%	73%	80%	71%	75%
Occupied Room Nights	59,183	76,707	135,889	28,577	31,328	27,176	87,081
Average Daily Rate	$79	$82	$81	$87	$88	$84	$87
Rooms Revenue ($000)	$4,673	$6,309	$10,983	$2,490	$2,759	$2,290	$7,539

2003 PKF OUTLOOK AT JANUARY 1, 2003

Sudbury	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,268	1,268	1,268	1,268	1,268	1,268	1,268
Available Room Nights	114,120	115,388	229,508	39,308	39,308	38,040	116,656
Occupancy (2% Demand Growth)	53%	68%	60%	74%	81%	73%	78%
Occupied Room Nights	60,366	78,241	138,607	29,148	31,955	27,719	88,823
Average Daily Rate (2% Rate Growth)	$81	$84	$82	$89	$90	$86	$88
Rooms Revenue ($000)	$4,862	$6,564	$11,426	$2,590	$2,871	$2,383	$7,844

2003 ACTUAL RESULTS

Sudbury	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,268	1,268	1,268	1,268	1,268	1,268	1,268
Available Room Nights	114,120	115,388	229,508	39,308	39,308	38,040	116,656
Occupancy	57%	67%	62%	68%	75%	72%	72%
Occupied Room Nights	65,472	77,725	143,197	26,788	29,398	27,374	83,560
Average Daily Rate	$81	$85	$83	$87	$89	$86	$87
Rooms Revenue ($000)	$5,330	$6,581	$11,912	$2,321	$2,609	$2,362	$7,291

SUDBURY 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Sudbury	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	5.5%	0.9%	3.2%	-4.6%	-4.9%	0.5%	-3.0%
Occupied Room Nights	10.6%	1.3%	5.4%	-6.3%	-6.2%	0.7%	-4.0%
Average Daily Rate	3.1%	3.0%	2.9%	-0.6%	0.8%	2.4%	0.8%
Rooms Revenue ($000)	14.1%	4.3%	8.5%	-6.8%	-5.4%	3.1%	-3.3%

2003 ACTUAL TO 2003 PKF OUTLOOK

Sudbury	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	4.5%	-0.4%	2.0%	-6.0%	-6.5%	-0.9%	-4.5%
Occupied Room Nights	8.5%	-0.7%	3.3%	-8.1%	-8.0%	-1.2%	-5.9%
Average Daily Rate	1.1%	0.9%	0.9%	-2.5%	-1.2%	0.4%	-1.2%
Rooms Revenue ($000)	9.6%	0.3%	4.3%	-10.4%	-9.1%	-0.9%	-7.0%
Variance to PKF Forecast ($000)	*$468*	*$18*	*$486*	*-$270*	*-$262*	*-$21*	*-$552*
Variance to 2002 Actuals ($000)	*$657*	*$272*	*$930*	*-$169*	*-$150*	*$72*	*-$248*

SSM 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Sault Ste. Marie	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,159	1,159	1,159	1,159	1,159	1,159	1,159
Available Room Nights	104,310	105,469	209,779	35,929	35,929	34,770	106,628
Occupancy	48%	53%	51%	74%	82%	82%	79%
Occupied Room Nights	50,532	55,837	106,369	26,501	29,455	28,376	84,332
Average Daily Rate	$82	$81	$81	$100	$99	$104	$101
Rooms Revenue ($000)	$4,136	$4,507	$8,643	$2,639	$2,918	$2,962	$8,519

2003 PKF OUTLOOK AT JANUARY 1, 2003

Sault Ste. Marie	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Available Room Nights	110,430	111,657	222,087	38,037	38,037	36,810	112,884
Occupancy (3% Demand Growth)	47%	52%	49%	72%	80%	79%	77%
Occupied Room Nights	52,048	57,512	109,560	27,296	30,338	29,227	86,862
Average Daily Rate (2% Rate Growth)	$83	$82	$83	$102	$101	$106	$103
Rooms Revenue ($000)	$4,345	$4,735	$9,080	$2,773	$3,066	$3,112	$8,951

2003 ACTUAL RESULTS

Sault Ste. Marie	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Available Room Nights	110,430	111,657	222,087	38,037	38,037	36,810	112,884
Occupancy	55%	53%	54%	68%	77%	71%	72%
Occupied Room Nights	60,405	59,365	119,770	25,873	29,114	26,223	81,210
Average Daily Rate	$83	$81	$82	$93	$96	$97	$95
Rooms Revenue ($000)	$5,032	$4,786	$9,818	$2,396	$2,780	$2,543	$7,718

SSM 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Sault Ste. Marie	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Occupancy Points	6.3%	0.2%	3.2%	-5.7%	-5.4%	-10.4%	-7.1%
Occupied Room Nights	19.5%	6.3%	12.6%	-2.4%	-1.2%	-7.6%	-3.7%
Average Daily Rate	1.8%	-0.1%	0.9%	-7.0%	-3.6%	-7.1%	-5.9%
Rooms Revenue ($000)	21.7%	6.2%	13.6%	-9.2%	-4.7%	-14.2%	-9.4%

2003 ACTUAL TO 2003 PKF OUTLOOK

Sault Ste. Marie	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	7.6%	1.7%	4.6%	-3.7%	-3.2%	-8.2%	-5.0%
Occupied Room Nights	16.1%	3.2%	9.3%	-5.2%	-4.0%	-10.3%	-6.5%
Average Daily Rate	-0.2%	-2.1%	-1.1%	-8.9%	-5.5%	-8.9%	-7.8%
Rooms Revenue ($000)	15.8%	1.1%	8.1%	-13.6%	-9.3%	-18.3%	-13.8%
Variance to PKF Forecast ($000)	*$687*	*$51*	*$738*	*-$377*	*-$286*	*-$569*	*-$1,233*
Variance to 2002 Actuals ($000)	*$896*	*$279*	*$1,175*	*-$244*	*-$139*	*-$419*	*-$802*

6.0 MANITOBA PROVINCIAL/MARKET PERFORMANCE

6.1 PROVINCE OF MANITOBA

QUARTER 3 2003: RESULTS

Total Provincial Supply Inventory

- Manitoba's accommodation market was 10,633 rooms in Quarter 3 2003 – a 1.7% increase over the same period in 2002, due to the addition of 178 new rooms.

Provincial Demand

- During Quarter 3, Manitoba's hotel market achieved a 64% occupancy at an average daily rate of $89. Occupancy levels were consistent with Quarter 3 2002, while the average daily rate decreased by 0.9% or approximately $1.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Winnipeg	65%	$94	67%	$96	1%	-2%
Other Manitoba	62%	$76	62%	$75	4%	1%
Total Manitoba	**64%**	**$89**	**64%**	**$90**	**2%**	**-1%**

Source: PKF Consulting

- With a 1.7% increase in supply, demand for Manitoba hotels was **up by approximately 11,800 room nights or 1.9% in Quarter 3 2003**, as compared to Quarter 3 of 2002.

- On a month-to-month basis, demand for room nights in Manitoba increased by 9.4% in July, underwent a marginal improvement in August (0.9%) and fell behind by 4.5% in September.

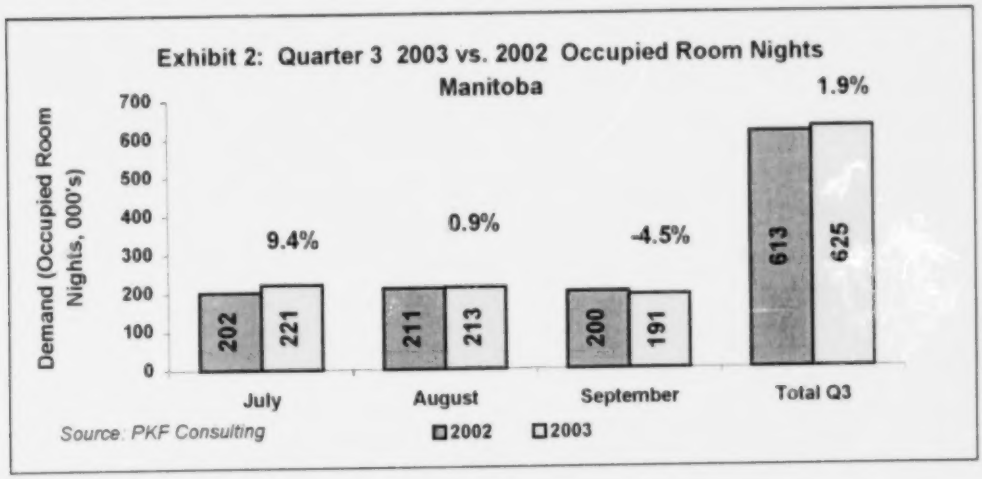


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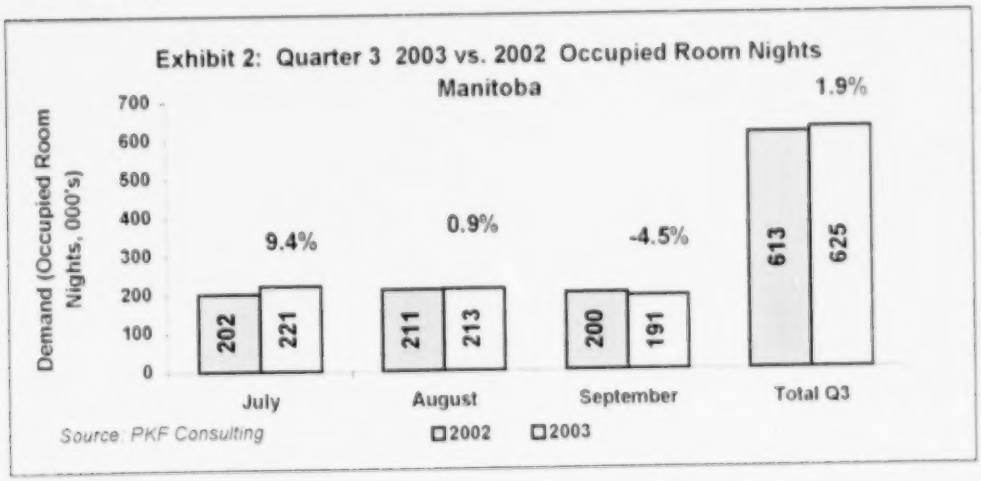
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Winnipeg	65%	$94	67%	$96	1%	-2%
Other Manitoba	62%	$76	62%	$75	4%	1%
Total Manitoba	**64%**	**$89**	**64%**	**$90**	**2%**	**-1%**

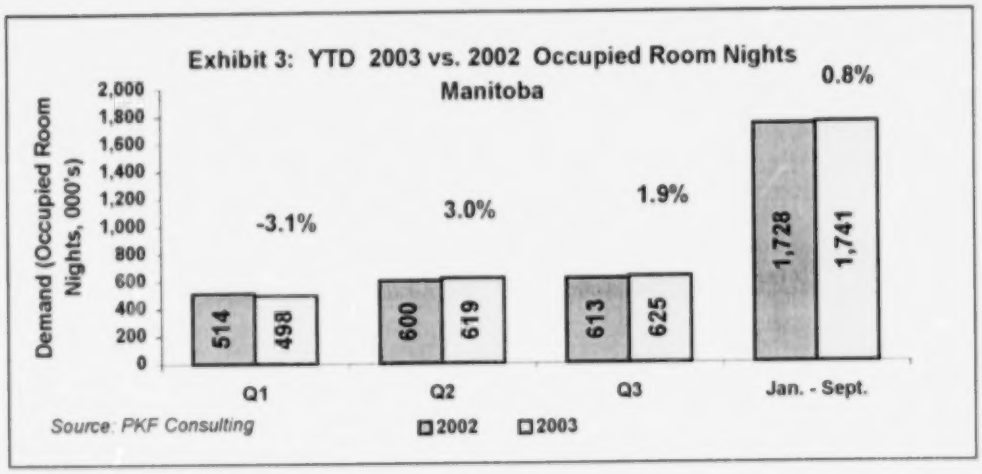
Source: PKF Consulting

- With a 1.7% increase in supply, demand for Manitoba hotels was **up by approximately 11,800 room nights or 1.9% in Quarter 3 2003**, as compared to Quarter 3 of 2002.

- On a month-to-month basis, demand for room nights in Manitoba increased by 9.4% in July, underwent a marginal improvement in August (0.9%) and fell behind by 4.5% in September.



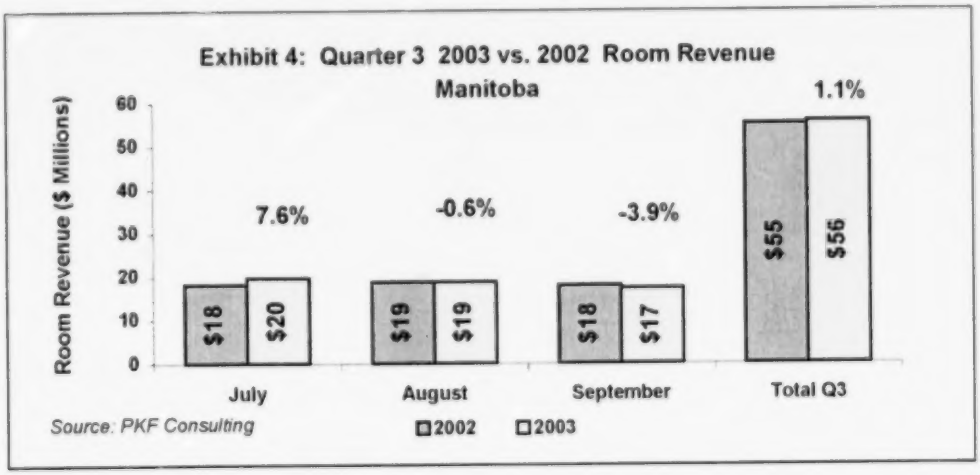
- Demand was down by 3.1% at the end of Quarter 1, with Quarter 2 results showing an increase of 3.0%, and Quarter 3 posting a 1.9% increase, placing **year-to-date results for 2003 marginally ahead of results achieved in the first nine months of 2002.**



Room Revenue

- Manitoba had a strong lead into the 3rd Quarter, with room revenue increasing by 7.6% in July, before stumbling and falling behind by 0.6% in August and a further 3.9% in September.

- Overall, Quarter 3 room revenue improved slightly by $580,000 (1.1%) compared to the same period last year. Year-to-date room revenue is ahead by 1.6% -- $2.5 Million above last year's results.



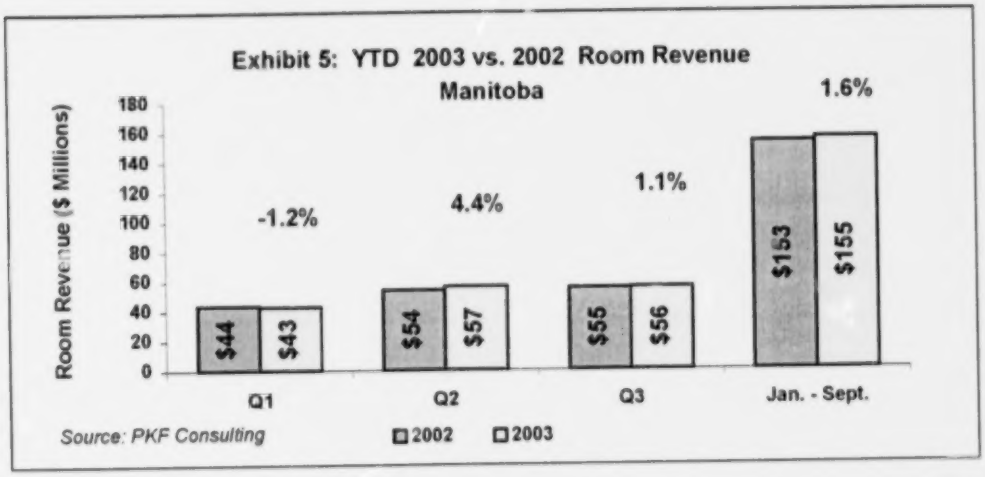


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Manitoba
Room Revenue ($ Millions)
180
160
140
120
100
80
60
40
20
0
-1.2%
4.4%
1.1%
1.6%
$44
$43
$54
$57
$55
$56
$153
$155
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

MANITOBA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL MANITOBA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	10,195	10,362	10,279	10,455	10,455	10,455	10,455
Available Room Nights	917,549	942,926	1,860,475	324,105	324,105	313,650	961,860
Occupancy	56%	64%	60%	62%	65%	64%	64%
Occupied Room Nights	514,325	600,445	1,114,770	201,885	210,885	200,077	612,857
Average Daily Rate	$85	$90	$88	$91	$89	$90	$90
Rooms Revenue ($000)	$43,722	$54,150	$97,872	$18,287	$18,816	$17,977	$55,080

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL MANITOBA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	10,633	10,633	10,633	10,633	10,633	10,633	10,633
Available Room Nights	956,970	967,603	1,924,573	329,623	329,623	318,990	978,236
Occupancy (2% Demand Growth)	55%	63%	59%	62%	65%	64%	64%
Occupied Room Nights	524,612	612,454	1,137,066	205,923	215,113	204,079	625,115
Average Daily Rate (1% Growth)	$86	$91	$89	$91	$90	$91	$91
Rooms Revenue ($000)	$45,043	$55,785	$100,828	$18,839	$19,364	$18,520	$56,743

2003 ACTUAL RESULTS

TOTAL MANITOBA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	10,633	10,633	10,633	10,633	10,633	10,633	10,633
Available Room Nights	956,970	967,603	1,924,573	329,623	329,623	318,990	978,236
Occupancy	52%	64%	58%	67%	65%	60%	64%
Occupied Room Nights	498,145	618,642	1,116,787	220,847	212,706	191,107	624,660
Average Daily Rate	$87	$91	$89	$89	$88	$90	$89
Rooms Revenue ($000)	$43,208	$56,541	$99,749	$19,669	$18,712	$17,282	$55,663

MANITOBA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL MANITOBA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	4.3%	2.6%	3.4%	1.7%	1.7%	1.7%	1.7%
Occupancy Points	-4.0%	0.3%	-1.9%	4.7%	-0.5%	-3.9%	0.1%
Occupied Room Nights	-3.1%	3.0%	0.2%	9.4%	0.9%	-4.5%	1.9%
Average Daily Rate	2.0%	1.3%	1.7%	-1.7%	-1.4%	0.6%	-0.9%
Rooms Revenue ($000)	-1.2%	4.4%	1.9%	7.6%	-0.6%	-3.9%	1.1%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL MANITOBA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-2.8%	0.6%	-1.1%	4.5%	-0.7%	-4.1%	0.0%
Occupied Room Nights	-5.0%	1.0%	-1.8%	7.2%	-1.1%	-6.4%	-0.1%
Average Daily Rate	1.0%	0.3%	0.7%	-2.7%	-2.4%	-0.4%	-1.8%
Rooms Revenue ($000)	-4.1%	1.4%	-1.1%	4.4%	-3.5%	-6.7%	-1.9%
Variance to PKF Forecast ($000)	-$1,835	$756	-$1,079	$830	-$673	-$1,238	-$1,081
Variance to 2002 Actuals ($000)	-$514	$2,391	$1,877	$1,362	-$104	-$695	$562

6.2 WINNIPEG

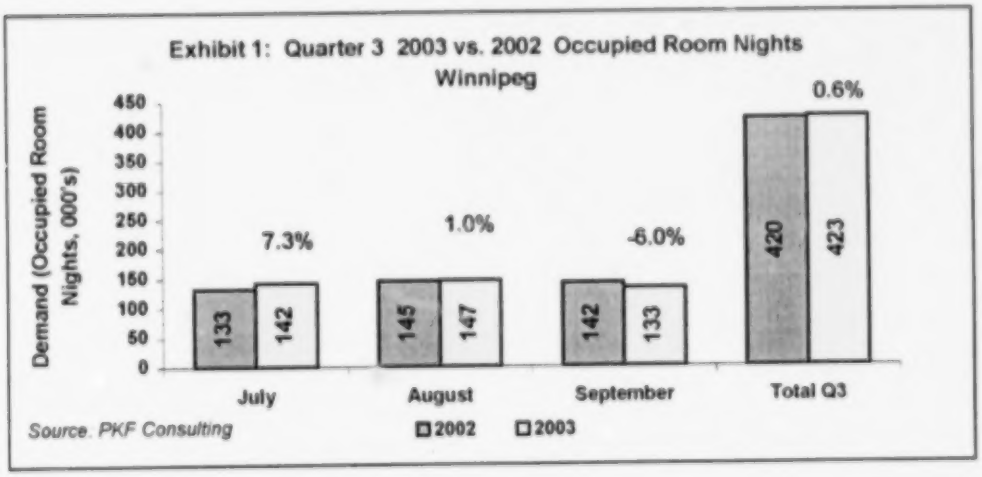
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

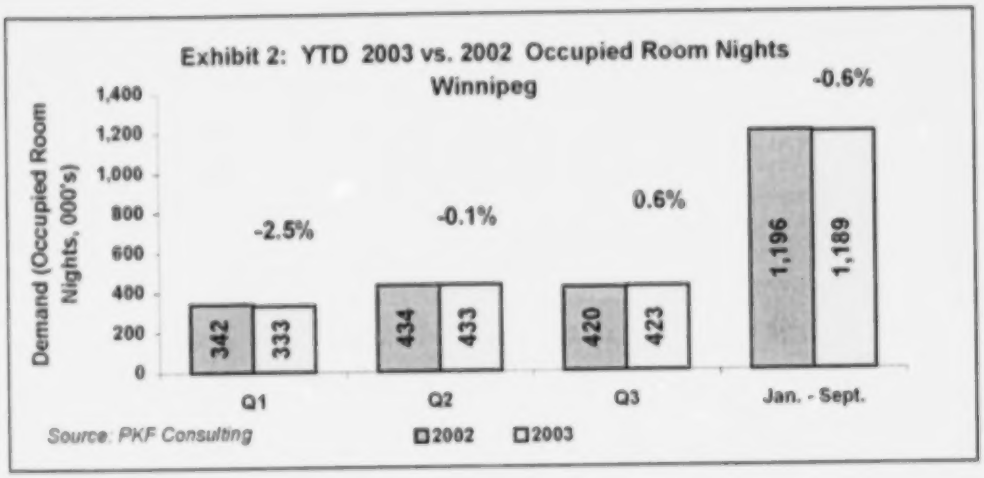
- In Quarter 3 2003, the overall inventory of hotel rooms in the Winnipeg hotel market was 7,103 rooms – with no change from Quarter 3 2002.

Demand and Rate

- During Quarter 3, the Winnipeg hotel market achieved a 65% occupancy at an average daily rate of $94.
- Demand for Winnipeg hotels improved **by approximately 2,640 room nights or 0.6% in Quarter 3 2003**, as compared to the previous year.
- On a month-to-month basis, the Winnipeg hotel market was up by 7.3% in demand in July, with only a 1.0% improvement in August, before falling behind by –6.0% in September.

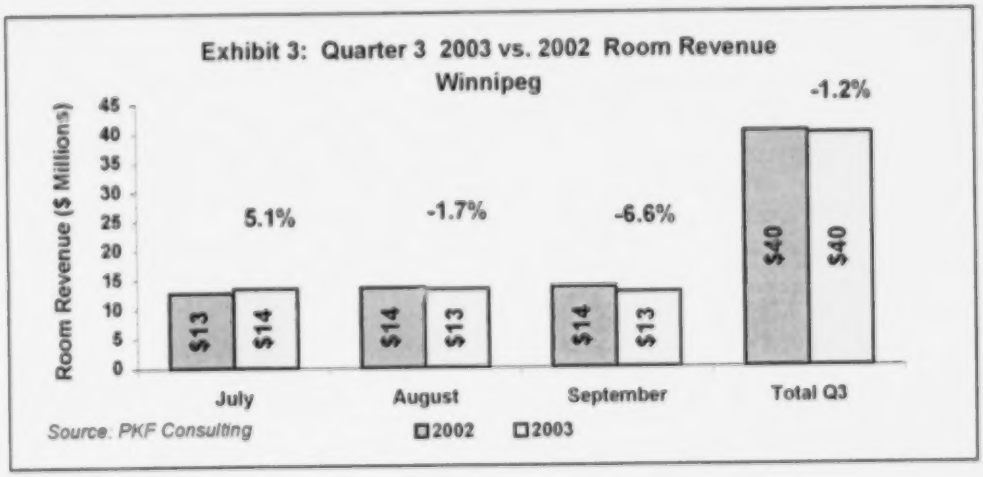


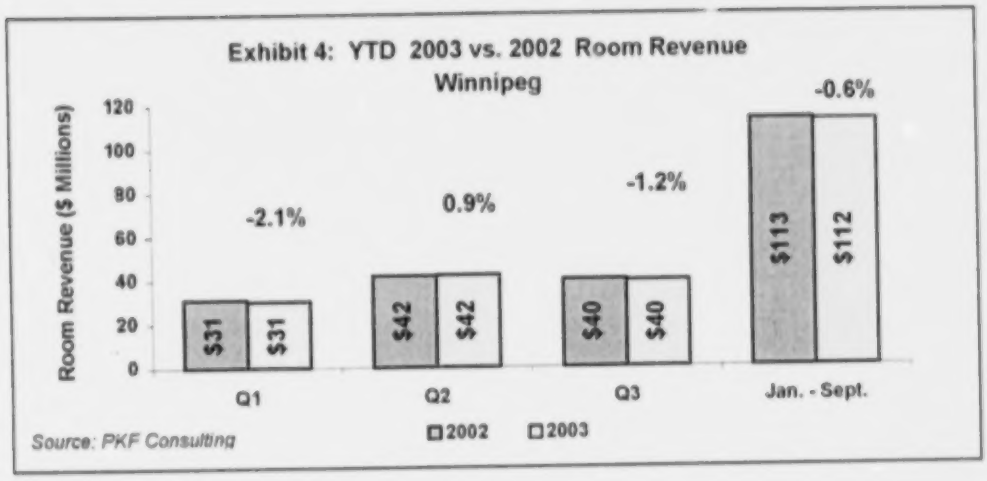
- Demand was down by 2.5% at the end of Quarter 1, however Quarter 2 and 3 results were on par with last year, placing **year-to-date results for 2003, 0.6% below results achieved in the first nine months of 2002.**



Room Revenue

- Buoyed by a strong July in which Winnipeg's room revenue losses were ahead by $650,000, the balance of the Quarter began loosing ground in August, which was down by $225,000 and September, which was down by $896,000 in comparison to the previous year.
- Overall Quarter 3 room revenue was 1.2% behind the same period last year, placing year-to-date revenues $734,0C 0.7%) behind the first nine months of 2002.





Budgets and PKF Outlook

- According to our PKF Outlook for the Winnipeg hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the Winnipeg hotel market was forecast to achieve a 66% occupancy at an average daily rate of $96 in Quarter 3, 2003.

- In preparing their operating budgets at the beginning of the year, Winnipeg hotels expected to achieve higher occupancy and ADR results, compared to the PKF Outlook – 67% occupancy at a $100 ADR – by the end of the third quarter.

- Based on actual results, the industry missed their budgets by 3 percentage points in occupancy and $6 in rate in Quarter 3, 2003.

Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Winnipeg hotel industry attributed their marginal improvement in Quarter 3 demand to local, regional, national and economic conditions.

- All segments contributed to the slight gain in demand with the exception of government travel.

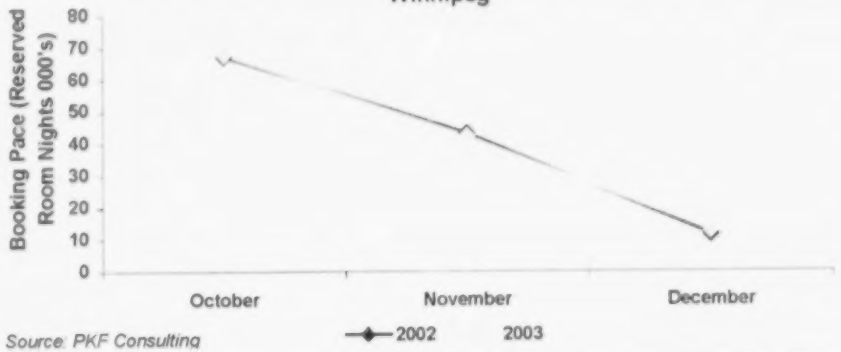
- Based on the hotel guest's primary mode of transportation used to arrive in Winnipeg, approximately 49% of the loss in Quarter 3 was attributable to a decline in air traffic, followed by automobile traffic (42%).

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 131,200 room nights or 35% of October, November and December's budgeted 2002 business was pre-booked. This year's booking pace is at par with the Quarter 4 bookings for 2002.

Exhibit 5: Room Booking Pace (Oct. to Dec. 2003 vs. 2002)
Winnipeg



Source: PKF Consulting

Q4 - Room Cancellations

- The Winnipeg hotel industry has not reported any **room cancellations** for Quarter 4 2003, which further supports the prospects for a comparable quarter to last year.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

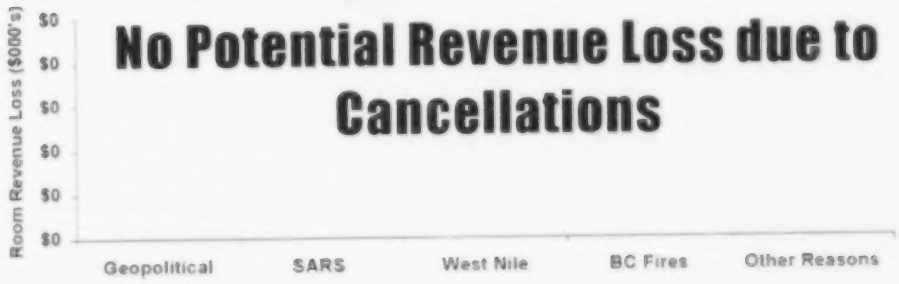
	As at June 30th	As at Sept. 30th
Winnipeg	N/A	0
Cancelled Room Nights *Due to SARS*	N/A *0%*	0 *0%*
Cancelled Room Nights *Due to Geopolitical Reasons*	N/A *0%*	0 *0%*
Cancelled Room Nights *Due to West Nile Virus*	N/A *0%*	0 *0%*
Cancelled Room Nights *Due to BSE*	N/A *0%*	0 *0%*
Cancelled Room Nights *Due to Other Reasons*	N/A *0%*	0 *0%*

Source: PKF Consulting

Exhibit 7: Room Night Cancellations (Oct. to Dec. 2003)
Winnipeg

Source: PKF Consulting

Exhibit 8: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Winnipeg



Source: PKF Consulting

Winnipeg

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 PKF OUTLOOK AT JANUARY 1, 2003

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy (+2.0%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate (+2.0%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY BUDGETS AT JANUARY 1, 200[illegible]

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL RESULTS

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BOOKING PATTERNS

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	[illegible]	[illegible]	[illegible]					[illegible]	[illegible]	[illegible]	[illegible]
% Of Rooms Sold	[illegible]	[illegible]	[illegible]					[illegible]	[illegible]	[illegible]	[illegible]
2003 BOOKINGS	[illegible]	[illegible]	[illegible]					[illegible]	[illegible]	[illegible]	[illegible]
% Of Rooms Sold	[illegible]	[illegible]	[illegible]					[illegible]	[illegible]	[illegible]	[illegible]
2003/2002 VARIANCE	[illegible]	[illegible]	[illegible]					[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL TO 2003 PKF OUTLOOK

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Winnipeg	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	2,640

GUEST ORIGIN	%	ORN
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	2,640

SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	2,640

TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	100%	2,640

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
Total	0%	0
% Of 2002 Total	0%	$ 0

		Q4 Potential
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		[illegible]

MONTH OF JULY	variance to PKF Forecast ($000)	[illegible]
	variance to 2002 Actuals ($000)	[illegible]
MONTH OF AUG	variance to PKF Forecast ($000)	[illegible]
	variance to 2002 Actuals ($000)	[illegible]
MONTH OF SEPT	variance to PKF Forecast ($000)	[illegible]
	variance to 2002 Actuals ($000)	[illegible]

6.3 OTHER MANITOBA MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

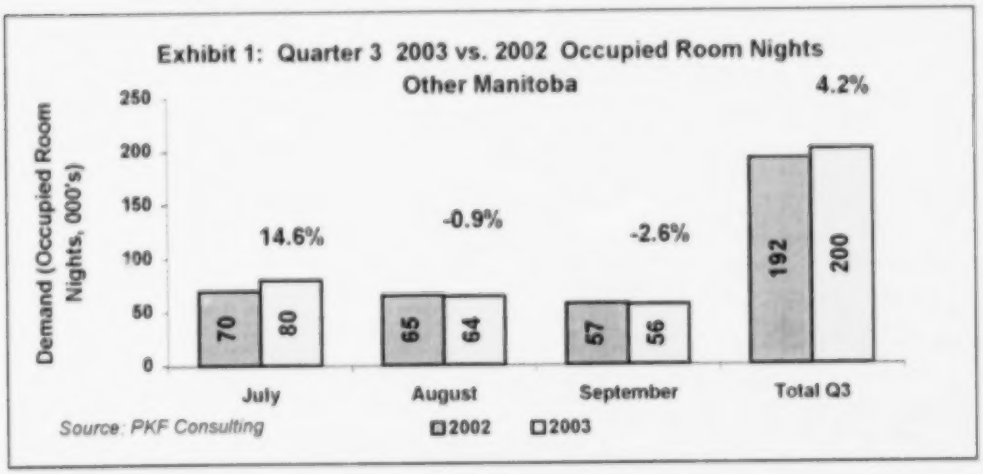
- Excluding the major market of Winnipeg, the balance of Manitoba's accommodation market averaged 3,530 rooms in Quarter 3 2003 – a 5.3% increase over the same period in 2002, due to the addition of 178 new rooms.

Demand and Rate

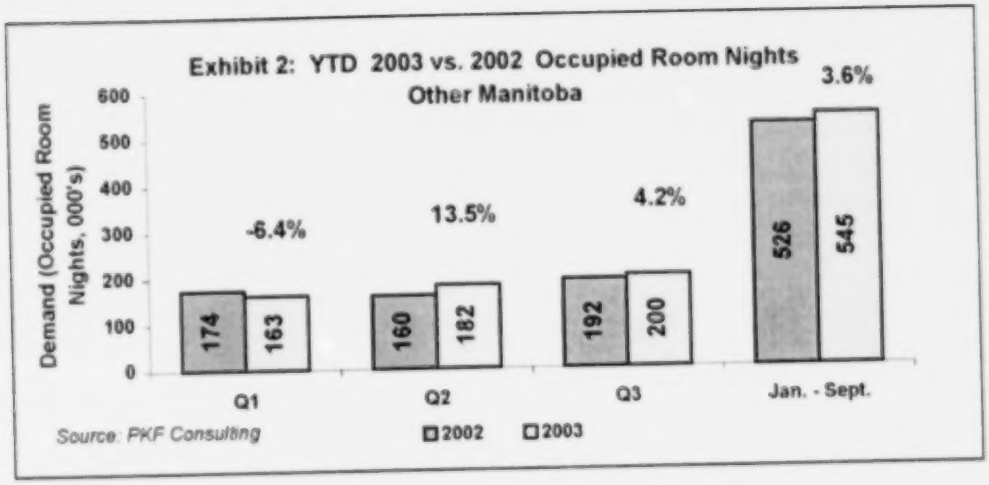
- During Quarter 3, the balance of Manitoba's hotel market achieved a 62% occupancy at an average daily rate of $76. Occupancy levels were on par with last year, while the average daily rate improved slightly by $1.

- Demand for Manitoba hotels, excluding Winnipeg, **improved by approximately 8,000 room nights or 4.2% in Quarter 3 2003**, as compared to the 3rd Quarter of 2002.

- On a month-to-month basis, demand for room nights in Other Manitoba increased by a healthy 14.6% in July, before slowing to a decline of 0.9% in August and a further 2.6% decline in September.



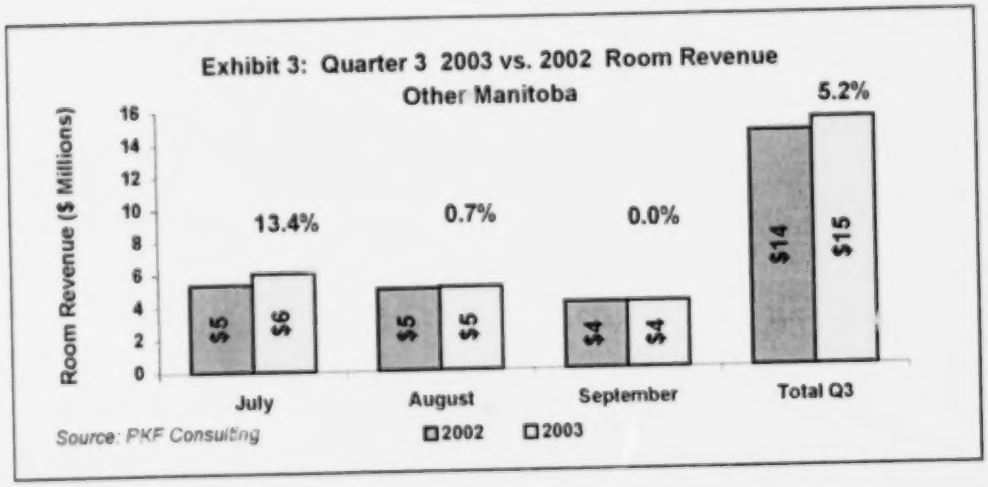
- While demand was down by 6.4% at the end of Quarter 1, Quarter 2 results showed a marked improvement of 13.5%, with Quarter 3 results ahead by 4.2%, bringing **year-to-date results for 2003, 3.6% ahead of results achieved in the first nine months of 2002.**



Room Revenue

- Markets in "other Manitoba" demonstrated a strong improvement in room revenue during July, which was up by $719,000 (13.4%); before slowing in August and September, which posted results only marginally ahead of the same months last year.

- Overall Quarter 3 room revenue was 5.2% above the same period last year, resulting in a Q3 room revenue gain of $755,000. With no change in the Quarter 1 performance, and strong Quarter 2 and 3 performances, the year-to-date results indicate a $2.7 Million increase (7.2%) in room revenue from the first nine months of 2002.



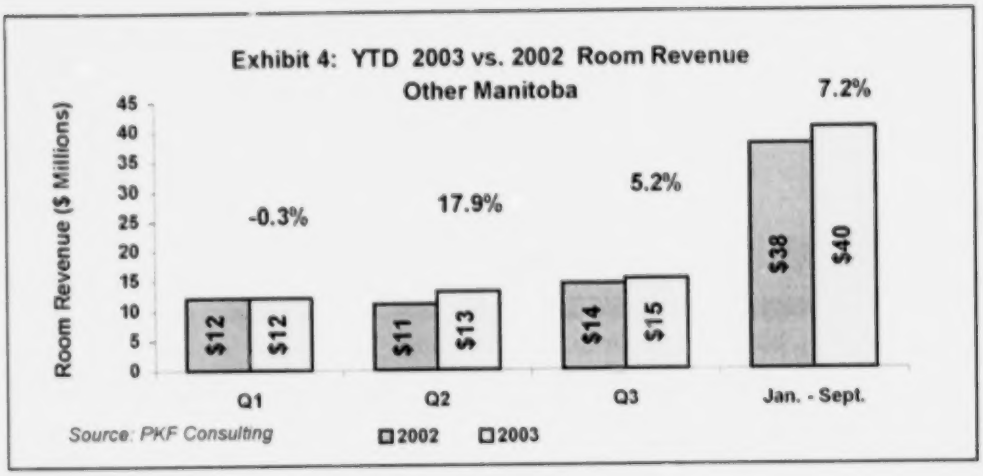


Exhibit 4: YTD 2003 vs. 2002 Room Revenue
Other Manitoba
Room Revenue ($ Millions)
45
40
35
30
25
20
15
10
5
0
-0.3%
17.9%
5.2%
7.2%
$12
$12
$11
$13
$14
$15
$38
$40
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

OTHER MANITOBA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Manitoba	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,300	3,352	3,326	3,352	3,352	3,352	3,352
Available Room Nights	297,000	305,032	602,032	103,912	103,912	100,560	308,384
Occupancy	58%	53%	55%	67%	63%	57%	62%
Occupied Room Nights	173,709	160,410	334,119	69,621	65,049	57,219	191,889
Average Daily Rate	$70	$70	$70	$77	$78	$71	$75
Rooms Revenue ($000)	$12,182	$11,153	$23,335	$5,359	$5,044	$4,045	$14,448

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Manitoba	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,530	3,530	3,530	3,530	3,530	3,530	3,530
Available Room Nights	317,700	321,230	638,930	109,430	109,430	105,900	324,760
Occupancy (2% Demand Growth)	56%	51%	53%	65%	61%	55%	60%
Occupied Room Nights	177,183	163,618	340,801	71,013	66,350	58,363	195,726
Average Daily Rate (1% Growth)	$71	$70	$71	$78	$78	$71	$76
Rooms Revenue ($000)	$12,550	$11,490	$24,040	$5,521	$5,198	$4,167	$14,886

2003 ACTUAL RESULTS

Other Manitoba	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	3,530	3,530	3,530	3,530	3,530	3,530	3,530
Available Room Nights	317,700	321,230	638,930	109,430	109,430	105,900	324,760
Occupancy	51%	57%	54%	73%	59%	53%	62%
Occupied Room Nights	162,677	182,081	344,757	79,774	64,454	55,703	199,932
Average Daily Rate	$75	$72	$73	$70	$79	$73	$76
Rooms Revenue ($000)	$12,144	$13,152	$25,296	$5,579	$5,078	$4,047	$15,203

OTHER MANITOBA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Manitoba	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	7.0%	5.3%	6.1%	5.3%	5.3%	5.3%	5.3%
Occupancy Points	-7.3%	4.1%	-1.5%	5.9%	-3.7%	-4.3%	-0.7%
Occupied Room Nights	-6.4%	13.5%	3.2%	14.6%	-0.9%	-2.6%	4.2%
Average Daily Rate	6.5%	3.9%	5.1%	-1.0%	1.6%	2.8%	1.0%
Rooms Revenue ($000)	-0.3%	17.9%	5.4%	13.4%	0.7%	0.1%	5.2%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Manitoba	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-4.6%	5.7%	0.6%	8.0%	-1.7%	-2.5%	1.3%
Occupied Room Nights	-9.2%	11.3%	1.2%	12.3%	-2.9%	-4.6%	2.1%
Average Daily Rate	5.4%	2.9%	4.0%	-2.0%	0.6%	1.8%	0.0%
Rooms Revenue ($000)	-3.2%	14.5%	5.2%	10.1%	-2.3%	-2.9%	2.1%
Variance to PKF Forecast ($000)	-$405	$1,662	$1,256	$557	-$118	-$120	$319
Variance to 2002 Actuals ($000)	-$38	$1,999	$1,961	$719	$34	$2	$755

7.0 SASKATCHEWAN PROVINCIAL/MARKET PERFORMANCE

7.1 PROVINCE OF SASKATCHEWAN

QUARTER 3 2003: RESULTS

Total Provincial Supply Inventory

- Including the major markets of Saskatoon and Regina, Saskatchewan's accommodation market was 11,153 rooms in Quarter 3 2003 – a 120 room increase from Q3 2002's inventory.

Provincial Demand

- During Quarter 3, Saskatchewan's hotel market achieved a 60% occupancy at an average daily rate of $85. Occupancy levels were down 3 percentage points over Quarter 3 2002, while the average daily rate improved by 5% to $85.

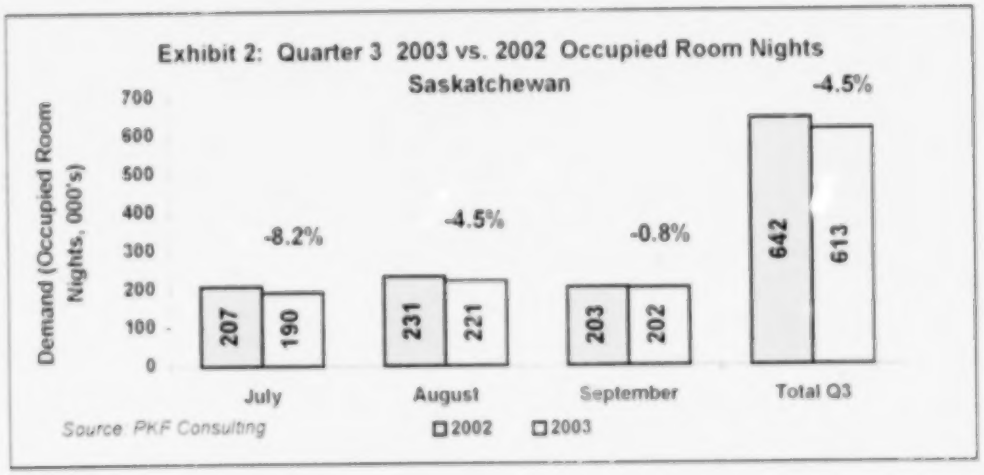
- Demand for Saskatchewan hotels **declined by approximately 29,000 room nights or 4.5% in Quarter 3 2003**, as compared to the same quarter last year.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Saskatoon- Regina	58%	$85	64%	$83	-8%	3%
Other Saskatchewan	69%	$84	61%	$73	12%	15%
Saskatchewan	**60%**	**$85**	**63%**	**$81**	**-5%**	**5%**

Source: PKF Consulting

- On a month-to-month basis, demand for room nights in Saskatchewan fell by 8.2% in July and 4.5% in August, but was almost on par with last year by September.



- Despite demand being up by 1.9% at the end of Quarter 1, Quarter 2 results showed a decline of 3.0% and Quarter 3 was behind by 4.5%, bringing year-to-date results for 2003 2.0% below results achieved in the first nine months of 2002.

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Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Saskatoon- Regina	58%	$85	64%	$83	-8%	3%
Other Saskatchewan	69%	$84	61%	$73	12%	15%
Saskatchewan	**60%**	**$85**	**63%**	**$81**	**-6%**	**5%**

Source: PKF Consulting

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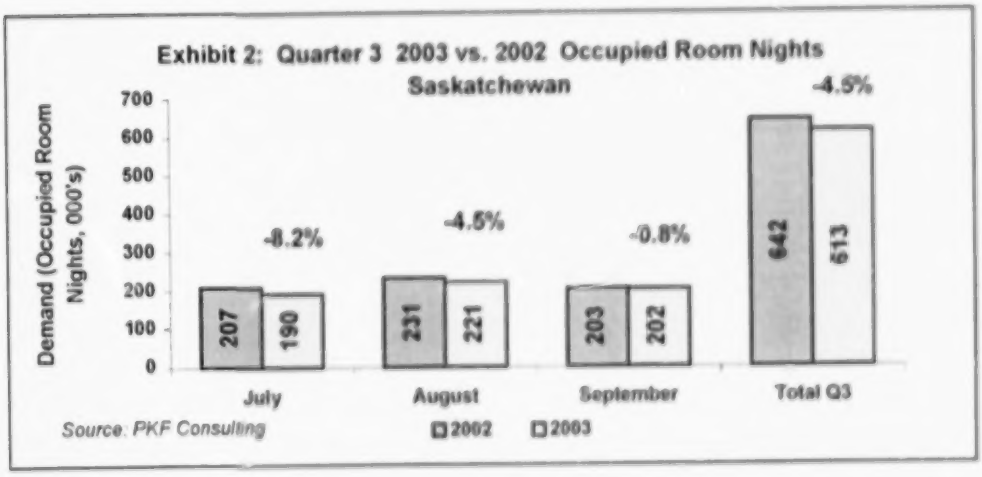
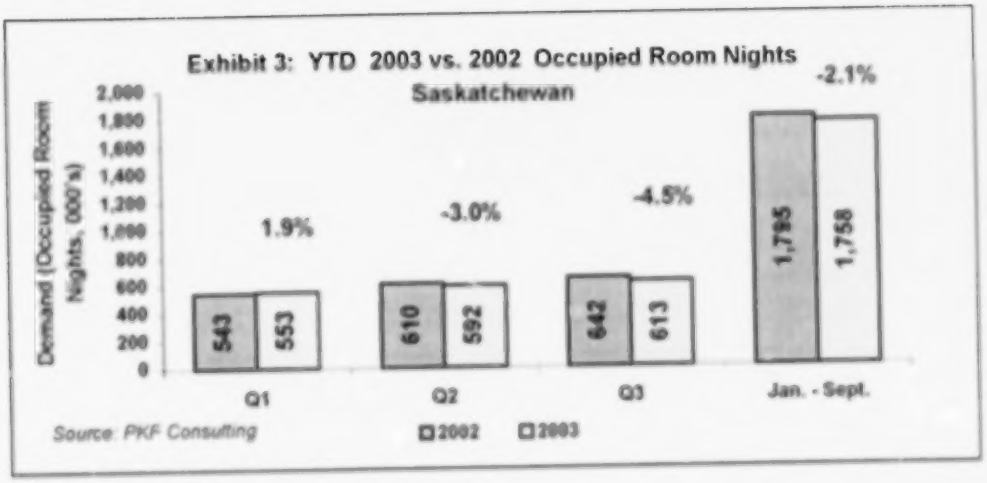
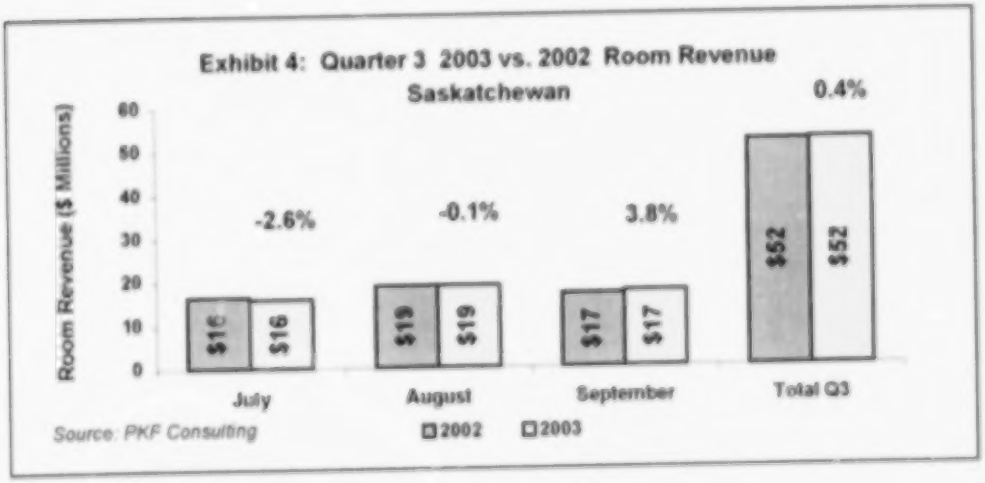


- Despite demand being up by 1.9% at the end of Quarter 1, Quarter 2 results showed a decline of 3.0% and Quarter 3 was behind by 4.5%, bringing year-to-date results for 2003 2.0% below results achieved in the first nine months of 2002.



Room Revenue

- Room revenue for the Province of Saskatchewan declined by 2.6% in July, however August's results were on par with last year, and September's results were ahead by 3.8%
- Overall, Quarter 3 room revenue was slightly up by $197,000 (0.4%) compared to the same period last year. This improvement, together with strong Quarter 1 and 2 results, has resulted in year-to-date room revenue of $150 Million, a 3.5% improvement over the first three quarters of last year.



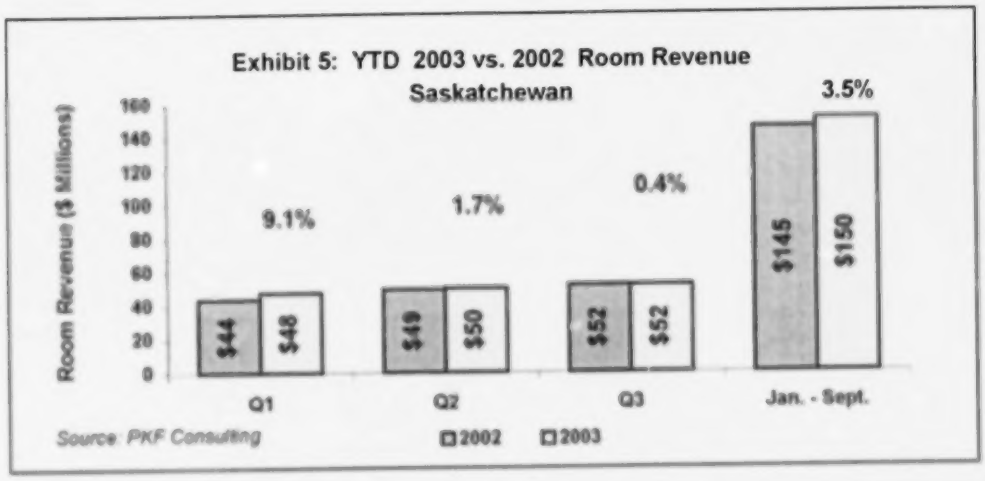


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Saskatchewan
Room Revenue ($ Millions)
160
140
120
100
80
60
40
20
0
9.1%
1.7%
0.4%
3.5%
$44
$48
$49
$50
$52
$52
$145
$150
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

SASKATCHEWAN 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL SASKATCHEWAN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	11,033	11,033	11,033	11,033	11,033	11,033	11,033
Available Room Nights	992,970	1,004,003	1,996,973	342,023	342,023	330,990	1,015,036
Occupancy	55%	61%	58%	61%	67%	61%	63%
Occupied Room Nights	543,177	609,932	1,153,089	207,471	230,831	203,493	641,795
Average Daily Rate	$81	$81	$81	$79	$81	$82	$81
Rooms Revenue ($000)	$43,846	$49,484	$93,330	$16,386	$18,604	$16,793	$51,843

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL SASKATCHEWAN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	11,033	11,033	11,033	11,153	11,153	11,153	11,153
Available Room Nights	992,970	1,004,003	1,996,973	345,743	345,743	334,590	1,026,076
Occupancy (2% Demand Growth)	56%	62%	59%	61%	68%	62%	64%
Occupied Room Nights	554,040	622,120	1,176,161	211,621	235,448	207,563	654,631
Average Daily Rate (1% Growth)	$82	$82	$82	$80	$82	$83	$83
Rooms Revenue ($000)	$45,170	$50,978	$96,149	$16,881	$19,371	$17,268	$53,518

2003 ACTUAL RESULTS

TOTAL SASKATCHEWAN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	11,033	11,033	11,033	11,153	11,153	11,153	11,153
Available Room Nights	992,970	1,004,003	1,996,973	345,743	345,743	334,590	1,026,076
Occupancy	56%	59%	57%	55%	64%	60%	60%
Occupied Room Nights	553,448	591,608	1,145,256	190,386	220,515	201,858	612,739
Average Daily Rate	$86	$85	$86	$84	$85	$86	$85
Rooms Revenue ($000)	$47,853	$50,325	$98,178	$15,964	$18,798	$17,336	$52,148

SASKATCHEWAN 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL SASKATCHEWAN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	1.1%	200.0%	1.1%	1.1%
Occupancy Points	1.0%	-1.8%	-0.4%	-5.6%	-3.7%	-1.2%	-3.5%
Occupied Room Nights	1.9%	-3.0%	-0.7%	-8.2%	-4.5%	-0.8%	-4.5%
Average Daily Rate	7.1%	4.8%	5.9%	6.2%	4.6%	4.6%	5.1%
Rooms Revenue ($000)	9.1%	1.7%	5.2%	-2.6%	-0.1%	3.8%	0.4%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL SASKATCHEWAN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.1%	-3.0%	-1.5%	-6.1%	-4.3%	-1.7%	-4.1%
Occupied Room Nights	-0.1%	-4.9%	-2.6%	-10.0%	-6.3%	-2.7%	-6.4%
Average Daily Rate	6.1%	3.8%	4.9%	5.1%	3.5%	3.6%	4.1%
Rooms Revenue ($000)	5.9%	-1.3%	2.1%	-5.4%	-3.0%	0.8%	-2.6%
Variance to PKF Forecast ($000)	$2,683	-$653	$2,030	-$917	-$573	$130	-$1,372
Variance to 2002 Actuals ($000)	$4,007	$841	$4,849	-$422	-$18	$539	$197

7.2 REGINA/SASKATOON

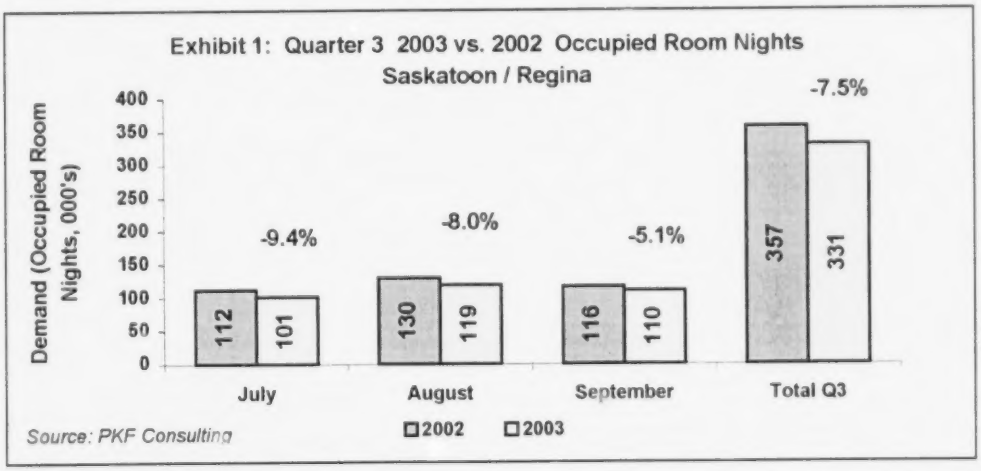
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

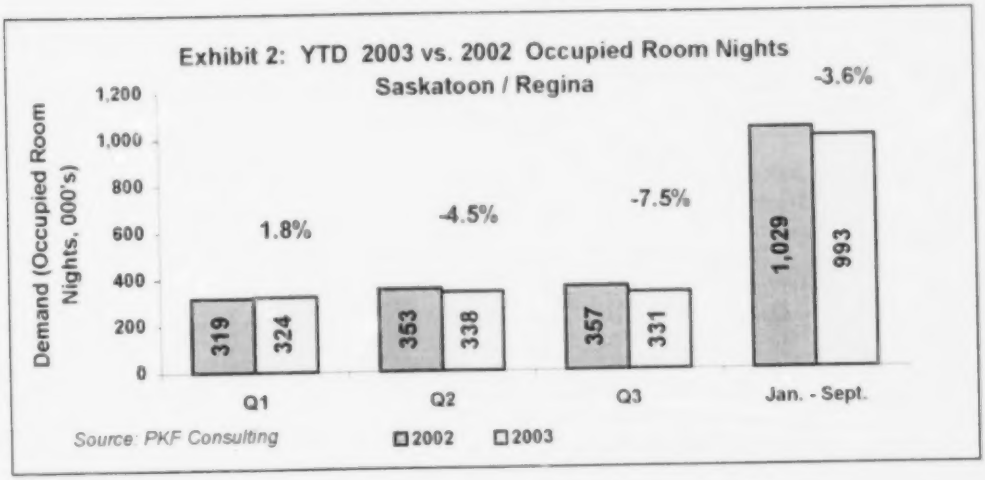
- In Quarter 3 2003, the overall inventory of hotel rooms in the Saskatoon and Regina hotel market was 6,205 rooms – an additional 120 rooms over Quarter 3 2002.

Demand

- During Quarter 3, the Saskatoon/Regina hotel market achieved a 58% occupancy at an average daily rate of $85.
- Demand for Saskatoon and Regina hotels **decreased by approximately 26,700 room nights or –7.5% in Quarter 3 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the sector was down by 9.4% in demand in July, followed by a decline of 8.0% in August and a further decline of 5.1% in September.



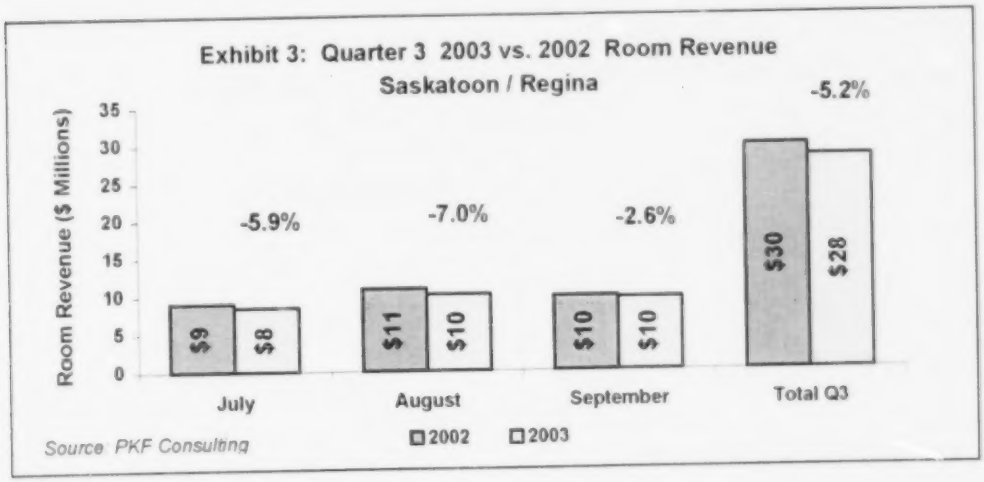
- During Quarter 1, demand for Regina and Saskatoon hotels was ahead by 1.8%, but the gains made in the first 3 months were quickly offset by a decline of 4.5% in demand in Quarter 2 and a further 7.5% decline in Quarter 3, bringing year-to-date results for 2003 approximately 3.6% below results achieved in the first nine months of 2002.

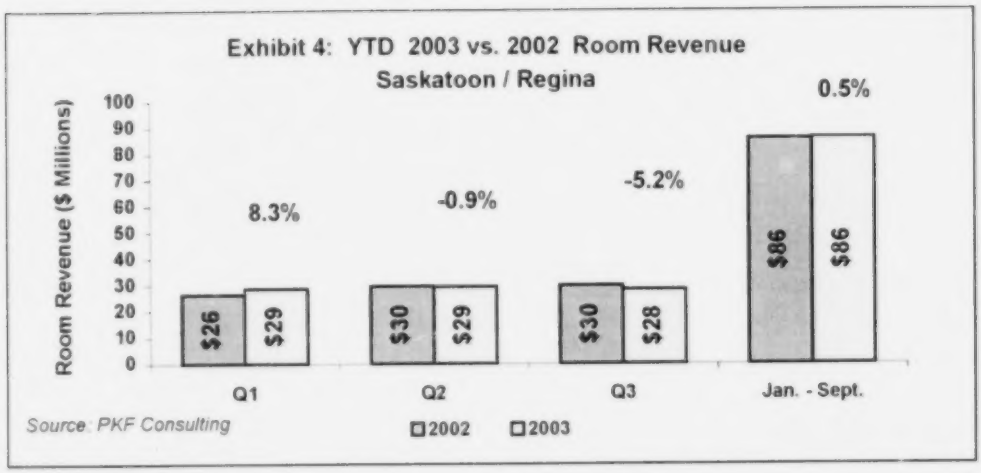


Room Revenue

- Due to the decline in demand, Saskatoon and Regina suffered a loss of $536,000 in room revenue during the month of July, followed by a further loss of $755,000 in August, with September revenues $252,000 behind last year.

- Overall Quarter 3 room revenue was $1.5 Million (-5.2%) less than the same period last year. Year-to-date room revenue is just marginally ahead by $387,000 (0.5%), due to a strong 1st Quarter performance.





Budgets and PKF Outlook

- According to our PKF Outlook for the Saskatoon and Regina hotel markets, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the market was forecast to achieve a 63% occupancy at an average daily rate of $84 in Quarter 3 2003.

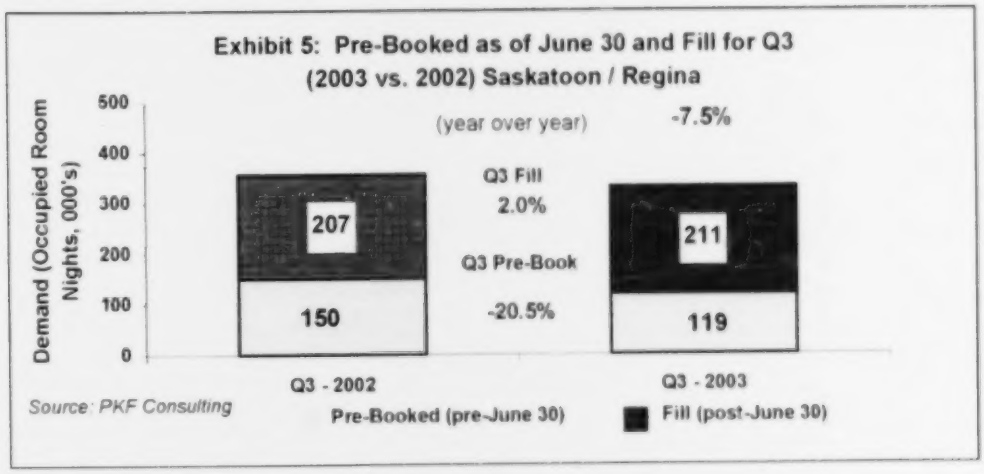
- In preparing their operating budgets at the beginning of the year, Saskatoon and Regina hoteliers expected to achieve higher results than the PKF Outlook – 67% occupancy at a $89 ADR – by the end of the third quarter.

- Based on actual results, the industry missed their budgets by 9 percentage points in occupancy and $4 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Saskatoon and Regina hoteliers had pre-booked close to 119,400 room nights for the upcoming months of July, August and September – 21% fewer room nights than were pre- booked over the same time frame last year.

- Although there were less rooms "on the books" by the end of June, the fill rate for the sector did increase slightly this quarter, with 211,000 room nights sold between July 1st and September 30, as opposed to an estimated 207,000 last year (up 2%).



Source: PKF Consulting

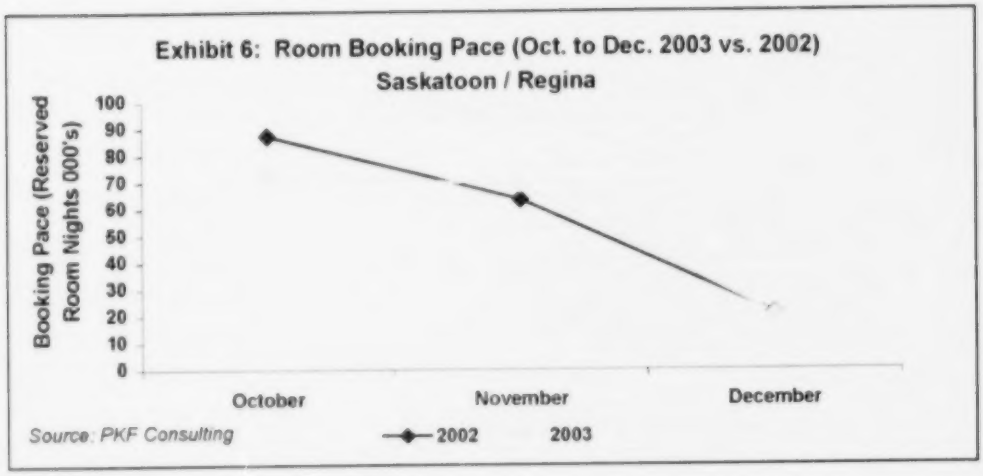
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Saskatoon and Regina hotel sector attributed most of their decreased demand in Quarter 3 2003 to "other" factors (45%), with the balance attributed to economic conditions (39%) and increased competition (16%).
- The segment responsible for the largest demand decrease was "Other" sources of demand at 47%.
- For the most part, hoteliers cited a decline in domestic travel as the main reason for the loss in business at 83%.
- Based on the hotel guest's primary mode of transportation used to arrive in Saskatoon/Regina, over half of the loss in Quarter 3 was attributable to a decline in automobile traffic, with a further 44% attributable to a loss in airline travellers.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 171,600 room nights or **53%** of October, November and December 2002's business was pre-booked. In comparison, as of September 30, 2003, **162,200 room nights** of business was pre-booked for Quarter 4– which means that close to **9,500 fewer room nights were pre-booked in Quarter 4 2003** as compared to the same period in 2002.
- This year's **Quarter 4 booking pace is down by 6%** in comparison to last year, a reversal of the situation heading into Quarter 2, when the pace was ahead by 12%.
- Looking ahead to the winter months, if infill patterns reflect the Quarter 3 results (up by 2%), Quarter 4 demand is expected to recover to the previous year's level.



Q4 - Room Cancellations

- The Saskatoon and Regina hotel sector do not report any room cancellations for Quarters 3 or 4, and hence did not suffer any room revenue losses due to SARS, geopolitical factors or BSE (Mad Cow disease).

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

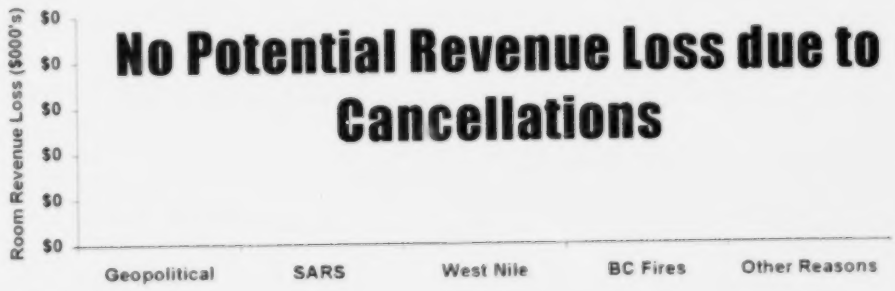
	As at June 30th	As at Sept. 30th (cumulative)
Saskatoon/Regina	0	0
Cancelled Room Nights *Due to SARS*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Geopolitical Reasons*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to West Nile Virus*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to BSE*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Other Reasons*	0 *0%*	0 *0%*

Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003)
Saskatoon / Regina

Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Saskatoon / Regina



Source: PKF Consulting

Saskatoon / Regina

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085
Available Room Nights	547,650	553,735	1,101,385	188,635	188,635	182,550	559,820	188,635	182,550	188,635	559,820
Occupancy	58%	64%	61%	59%	59%	64%	64%	66%	68%	43%	58%
Occupied Room Nights	318,553	353,362	672,015	111,672	109,592	116,102	357,366	125,065	120,483	80,359	325,907
Average Daily Rate	$83	$84	$83	$91	$90	$95	$93	$95	$89	$81	$89
Rooms Revenue ($000)	$26,395	$29,563	$55,958	$9,023	$10,055	$9,951	$29,744	$10,656	$10,555	$6,511	$27,666

2003 PKF OUTLOOK AT JANUARY 1, 2003

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	6,085	6,085	6,085	6,205	6,205	6,205	6,205	6,205	6,205	6,340	6,250
Available Room Nights	547,650	553,735	1,101,385	192,355	192,355	186,150	570,860	192,355	186,150	196,540	575,045
Occupancy (+ 1.2%)	59%	64%	62%	59%	58%	63%	63%	66%	65%	41%	57%
Occupied Room Nights	321,840	356,086	678,735	112,759	130,888	117,263	360,940	126,318	121,588	81,182	329,198
Average Daily Rate (+ 1.0%)	$84	$85	$84	$93	$95	$96	$94	$98	$99	$92	$96
Rooms Revenue ($000)	$26,976	$30,161	$57,137	$9,203	$11,035	$10,058	$30,347	$10,817	$10,779	$6,645	$28,241

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	6,085	6,085	6,085	6,205	6,205	6,205	6,205	6,205	6,205	6,340	6,250
Available Room Nights	547,650	553,735	1,101,385	192,355	192,355	186,150	570,860	192,355	186,150	196,540	575,045
Occupancy	59%	65%	63%	59%	71%	69%	67%	69%	83%	34%	62%
Occupied Room Nights	323,663	357,963	681,566	114,180	137,435	129,353	380,968	133,171	154,967	67,277	355,415
Average Daily Rate	$90	$87	$89	$87	$92	$99	$93	$89	$95	$81	$90
Rooms Revenue ($000)	$29,985	$32,044	$61,029	$9,957	$12,608	$11,511	$34,076	$11,841	$14,779	$5,456	$32,077

2003 ACTUAL RESULTS

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	6,085	6,085	6,085	6,205	6,205	6,205	6,205	6,205	6,205	6,340	6,250
Available Room Nights	547,650	553,735	1,101,385	192,355	192,355	186,150	570,860	192,355	186,150	196,540	575,045
Occupancy	59.3%	61%	60%	53%	62%	59%	59%	0%	0%	0%	0%
Occupied Room Nights	324,483	337,626	662,109	101,170	119,260	110,201	330,640	0	0	0	0
Average Daily Rate	$88	$87	$87	$86	$85	$87	$88	$0	$0	$0	$0
Rooms Revenue ($000)	$28,532	$29,301	$57,833	$8,486	$10,113	$9,609	$28,209	$0	$0	$0	$0

BOOKING PATTERNS

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	147,489	176,087	323,575	45,931	62,335	41,887	150,153	87,215	53,353	21,068	171,636
% Of Rooms Sold	46%	50%	49%	41%	48%	36%	42%	70%	53%	26%	53%
2003 BOOKINGS	152,515	196,957	349,472	38,853	56,181	24,367	119,371	72,753	68,621	20,623	162,176
% Of Rooms Sold	47%	56%	53%	38%	47%	22%	36%				
2002/2003 VARIANCE	3%	12%	8%	15%	10%	-42%	21%	17%	9%	-2%	-5%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	4.2%	2.7%
Occupancy Points	1.1%	2.8%	0.2%	6.6%	6.7%	4.4%	5.8%	-66.3%	-66.0%	-42.6%	-58.2%
Occupied Room Nights	1.8%	4.5%	1.5%	9.4%	8.0%	5.1%	7.5%	100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	6.4%	3.7%	5.0%	3.0%	1.1%	2.7%	2.5%	100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	9.3%	8.4%	8.5%	5.9%	1.0%	3.6%	5.2%	100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.5%	-3.5%	1.1%	6.0%	6.0%	3.5%	5.3%	-65.7%	-65.4%	-41.3%	-57.2%
Occupied Room Nights	0.8%	-5.4%	-2.4%	-10.3%	-8.9%	6.0%	-8.4%	100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	5.3%	2.7%	4.0%	2.8%	0.1%	1.6%	1.5%	100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	6.2%	2.0%	1.4%	7.6%	8.8%	-4.5%	7.1%	100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Saskatoon / Regina	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.1%	-5.5%	-2.7%	-6.8%	-9.4%	-13.3%	-6.8%	-69.2%	-83.2%	-34.2%	-61.9%
Occupied Room Nights	0.2%	-8.2%	-4.3%	-11.4%	-13.2%	-14.9%	-13.2%	100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-1.6%	-0.3%	-0.9%	-3.8%	-7.5%	-2.0%	-4.6%	100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-1.4%	-8.6%	-5.1%	-14.9%	-19.8%	-16.5%	-12.2%	100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN
Economic Conditions	37%	[illegible]
Increased Competition	23%	[illegible]
Geopolitical	15%	[illegible]
SARS	8%	[illegible]
West Nile	1%	[illegible]
Mad Cow	3%	[illegible]
Other	4%	[illegible]
Total	100%	(15,736)

SEGMENTATION	%	ORN
Business Travel	1%	[illegible]
Independent Leisure Travel	14%	[illegible]
Group Leisure	8%	[illegible]
Meetings/Convention Travel	67%	[illegible]
Government	1%	[illegible]
Other	7%	[illegible]
Total	100%	(15,736)

GUEST ORIGIN	%	ORN
Domestic Travel	87%	[illegible]
US Travel	12%	[illegible]
Overseas Travel	1%	[illegible]
Total	100%	(15,736)

TRANSPORTATION	%	ORN
Air	41%	[illegible]
Automobile	54%	[illegible]
Motorcoach	4%	[illegible]
Other	0%	
Total	100%	(15,736)

Q3 CANCELLATIONS	%	ORN
Geopolitical	0%	
SARS	0%	
West Nile	0%	
Mad Cow	0%	
Other	0%	
Total	0%	0
% Of 2002 Total	0%	$ 0

Q4 CANCELLATIONS	%	ORN
Geopolitical	0%	
SARS	0%	
West Nile	0%	
Mad Cow	0%	
Other	0%	
Total	0%	0
% Of 2002 Total	0%	$ 0

	Q3 Potential	Q4 Potential
Geopolitical	$0	$0
SARS	$0	$0
West Nile	$0	$0
Mad Cow	$0	$0
Other	$0	$0
	$0	$0

MONTH OF JULY	*Variance to PKF Forecast ($000)*	*4717*
	Variance to 2002 Actuals ($000)	*-5376*
MONTH OF AUG	*Variance to PKF Forecast ($000)*	*4874*
	Variance to 2002 Actuals ($000)	*-4755*
MONTH OF SEPT	*Variance to PKF Forecast ($000)*	*4430*
	Variance to 2002 Actuals ($000)	*-5237*

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN
Economic Conditions	30%	[illegible]
Increased Competition	16%	[illegible]
Geopolitical	1%	
SARS	2%	
West Nile	1%	
BC Fires	1%	
Other	41%	[illegible]
Total	100%	(26,726)

SEGMENTATION	%	ORN
Business Travel	1%	[illegible]
Independent Leisure Travel	1%	[illegible]
Group Leisure	2%	
Meetings/Convention Travel	85%	[illegible]
Government	2%	
Other	4%	[illegible]
Total	100%	(26,726)

GUEST ORIGIN	%	ORN
Domestic Travel	83%	[illegible]
US Travel	14%	[illegible]
Overseas Travel	3%	[illegible]
Total	100%	(26,726)

TRANSPORTATION	%	ORN
Air	34%	[illegible]
Automobile	55%	[illegible]
Motorcoach	2%	[illegible]
Other	0%	
Total	100%	(26,726)

Q4 CANCELLATIONS	%	ORN
Geopolitical	0%	
SARS	0%	
West Nile	0%	
BC Fires	0%	
Other	0%	
Total	0%	0
% Of 2002 Total	0%	$ 0

	Q4 Potential
Geopolitical	$0
SARS	$0
West Nile	$0
BC Fires	$0
Other	$0
	$0

7.3 OTHER SASKATCHEWAN MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- Excluding the major markets of Saskatoon and Regina, the balance of Saskatchewan's accommodation market was 4,948 rooms in Quarter 3 2003 – with no new supply added since Quarter 3, 2002.

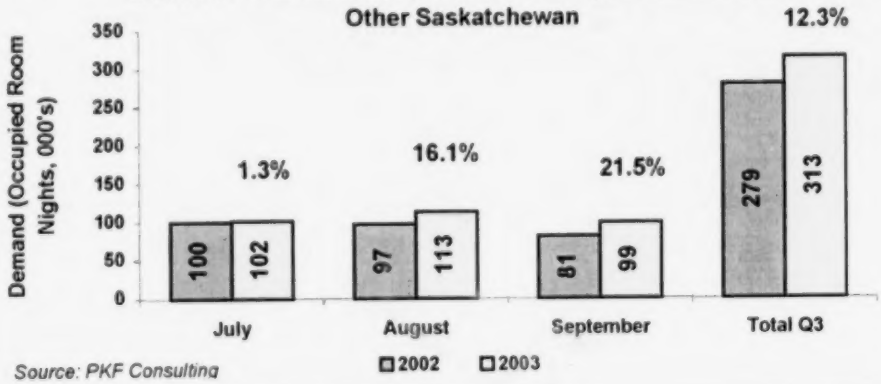
Demand and Rate

- During Quarter 3, the balance of Other Saskatchewan's hotel market achieved a 69% occupancy at an average daily rate of $84. Occupancy levels were ahead by 8 percentage points while the average daily rate was up by approximately $11 (15.1%) in comparison to Q3 2002.

- Demand for Saskatchewan hotels (excl. Saskatoon and Regina) was **up by approximately 34,400 room nights or 12.3% in Quarter 3 2003**, as compared to Q3 2002.

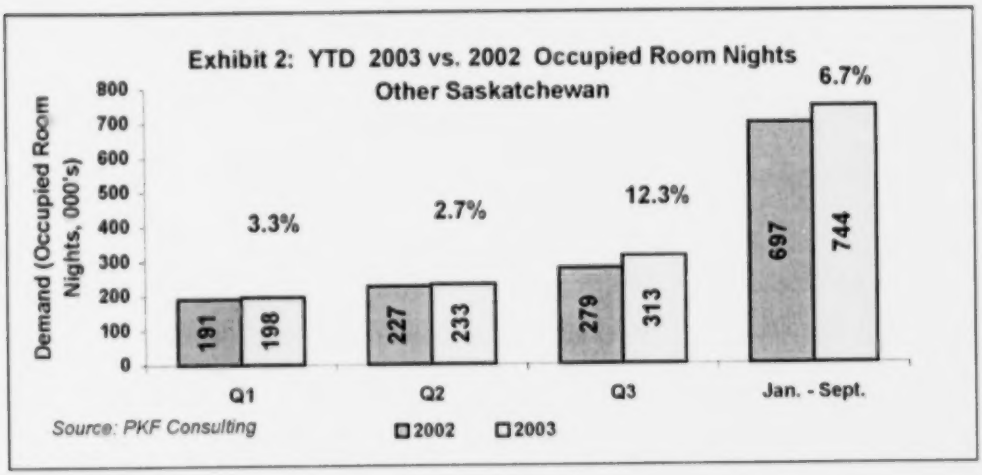
- On a month-to-month basis, demand for room nights in Other Saskatchewan increased by 1.3% in July, before posting gains of 16.1% in August and 21.5% in September.

Exhibit 1: Quarter 3 2003 vs. 2002 Occupied Room Nights



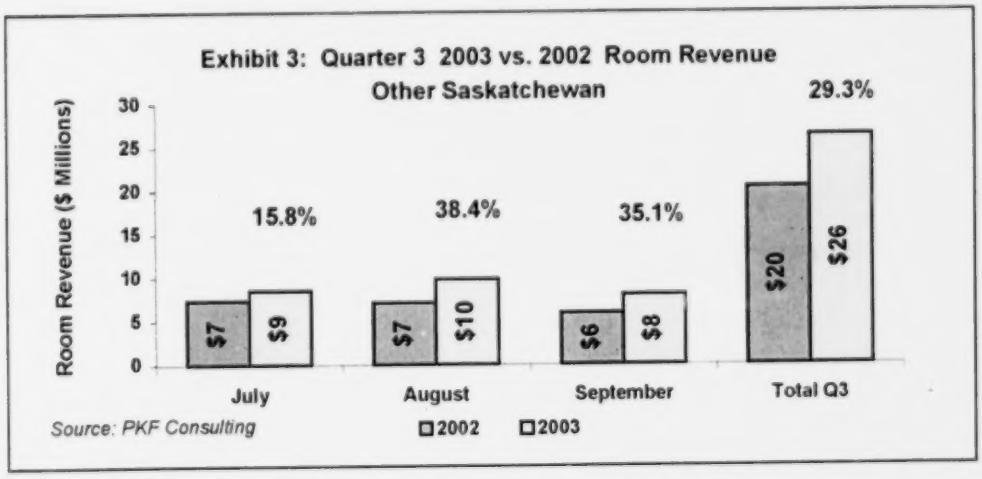
Source: PKF Consulting

- Year-to-date results for 2003 are 6.7% ahead of results achieved in the first nine months of 2002.



Room Revenue

- Room revenue for Other Saskatchewan properties has consistently shown strong gains in Quarter 3 – up 15.7% in July, 38.4% in August and 35.1% in September.
- Overall, Quarter 3 room revenue is ahead by $6 Million (29.3%) compared to the same period last year, with year-to-date room revenue at $3.7 Million – 7.4% above last year's results for the first nine months.



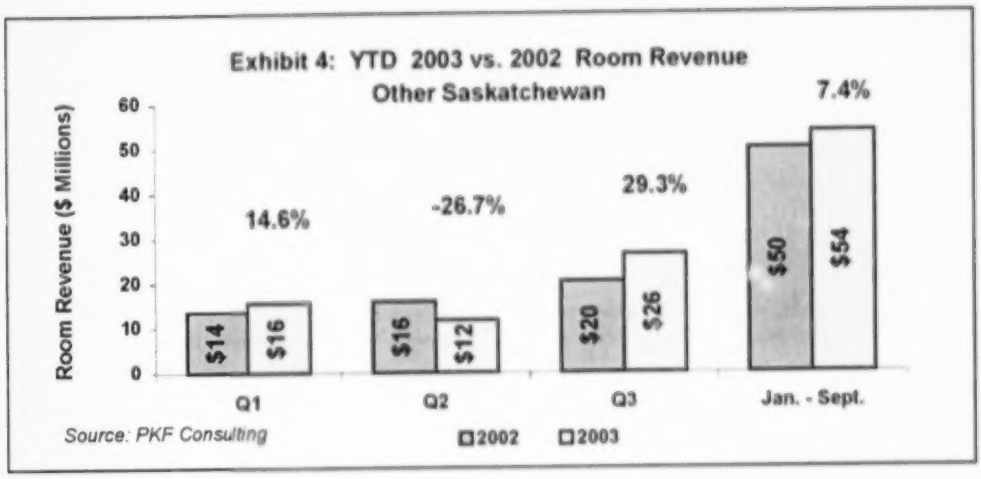


Exhibit 4: YTD 2003 vs. 2002 Room Revenue
Other Saskatchewan
Room Revenue ($ Millions)
60
50
40
30
20
10
0
14.6%
-26.7%
29.3%
7.4%
$14
$16
$16
$12
$20
$26
$50
$54
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

OTHER SASKATCHEWAN 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Saskatchewan	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	4.948	4.948	4.948	4.948	4.948	4.948	4.948
Available Room Nights	445.320	450.268	895.588	153.388	153.388	148.440	455.216
Occupancy	43%	50%	47%	65%	63%	55%	61%
Occupied Room Nights	191.428	226.580	417.988	100.408	97.294	81.093	278.795
Average Daily Rate	$71	$70	$71	$73	$73	$73	$73
Rooms Revenue ($000)	$13.617	$15.913	$29.530	$7.364	$7.116	$5.912	$20.392

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Saskatchewan	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	4.948	4.948	4.948	4.948	4.948	4.948	4.948
Available Room Nights	445.320	450.268	895.588	153.388	153.388	148.440	455.216
Occupancy (2% Demand Growth)	44%	51%	48%	67%	65%	56%	62%
Occupied Room Nights	195.257	231.091	426.347	102.416	99.240	82.715	284.370
Average Daily Rate (1% Growth)	$72	$71	$71	$74	$74	$74	$74
Rooms Revenue ($000)	$14.029	$16.394	$30.423	$7.586	$7.331	$6.090	$21.007

2003 ACTUAL RESULTS

Other Saskatchewan	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	4.948	4.948	4.948	4.948	4.948	4.948	4.948
Available Room Nights	445.320	450.268	895.588	153.388	153.388	148.440	455.216
Occupancy	44%	52%	48%	66%	74%	66%	69%
Occupied Room Nights	197.712	232.673	430.385	101.606	112.970	98.549	313.185
Average Daily Rate	$79	$50	$63	$84	$87	$81	$84
Rooms Revenue ($000)	$15.603	$11.658	$27.261	$8.524	$9.846	$7.990	$26.361

OTHER SASKATCHEWAN 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Saskatchewan	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	1.4%	1.4%	1.4%	0.8%	10.2%	11.8%	7.6%
Occupied Room Nights	3.3%	2.7%	3.0%	1.3%	16.1%	21.5%	12.3%
Average Daily Rate	10.9%	-28.7%	-10.3%	14.3%	19.2%	11.2%	15.1%
Rooms Revenue ($000)	14.6%	-26.7%	-7.7%	15.7%	38.4%	35.2%	29.3%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Saskatchewan	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.6%	0.4%	0.5%	-0.5%	9.0%	10.7%	6.3%
Occupied Room Nights	1.3%	0.7%	0.9%	-0.7%	13.8%	19.1%	10.1%
Average Daily Rate	9.6%	-29.4%	-11.2%	13.2%	18.0%	10.1%	13.9%
Rooms Revenue ($000)	11.2%	-28.9%	-10.4%	12.4%	34.3%	31.2%	25.5%
Variance to PKF Forecast ($000)	*$1,575*	*-$4,736*	*-$3,161*	*$937*	*$2,515*	*$1,900*	*$5,353*
Variance to 2002 Actuals ($000)	*$1,986*	*-$4,255*	*-$2,269*	*$1,160*	*$2,730*	*$2,079*	*$5,969*

8.0 ALBERTA PROVINCIAL/MARKET PERFORMANCE

8.1 PROVINCE OF ALBERTA (Excluding Resorts)

QUARTER 3 2003: RESULTS

Total Provincial Supply Inventory

- Including the markets of Calgary, Edmonton and Other Alberta, Alberta's non-resort accommodation market averaged 40,719 rooms in Quarter 3 2003 – a 1.5% increase over the same period in 2002, due to the addition of 606 new rooms in the Province of Alberta.

- In line with PKF's *Trends in the Hotel Industry, National Market Report*, Alberta Resorts, which comprise approximately 25% of the province's accommodation supply at 10,540 rooms, have not been included in the provincial summary of Quarter 3 results, as the higher average daily rate of this market skews the overall provincial results. However, a separate analysis of the Alberta Resort sector has been included within this section of the report.

Provincial Demand and Rate

- During Quarter 3, Alberta's hotel market achieved a 68% occupancy at an average daily rate of $100. Occupancy levels were down by 6 percentage points relative to Quarter 3 2002, while the average daily rate improved slightly by 1.5%.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Calgary	73%	$111	75%	$112	-3%	-1%
Edmonton	63%	$97	77%	$92	-16%	5%
Alberta Resorts	73%	$275	83%	$272	-12%	1%
Other Alberta	64%	$85	65%	$83	0%	2%
Alberta (ex.Resorts)	**68%**	**$100**	**73%**	**$99**	**-7%**	**2%**

Source: PKF Consulting

- Demand for Alberta hotels was **down approximately 179,000 room nights or 6.6% in Quarter 3 2003**, as compared to the third quarter of 2002.

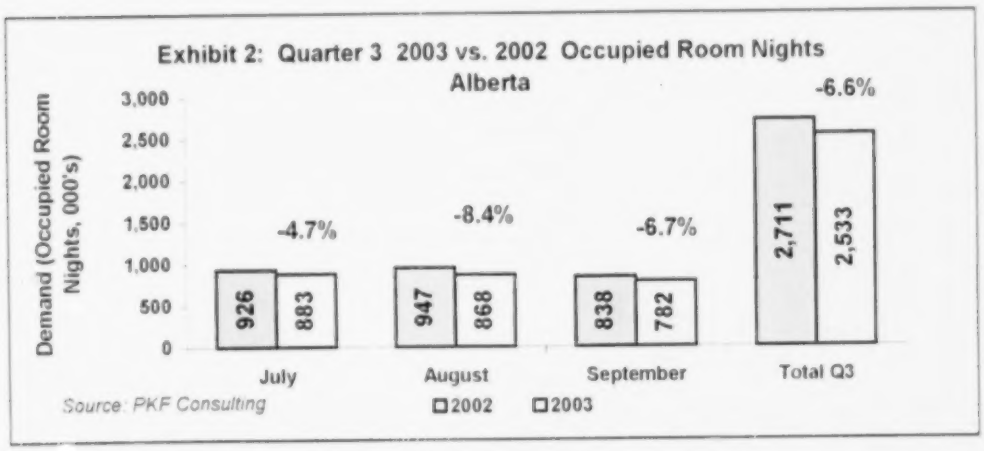


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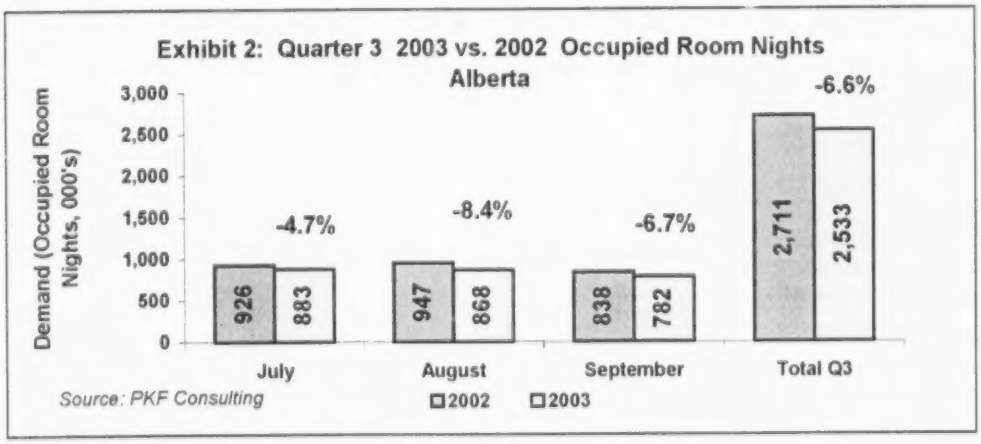
Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

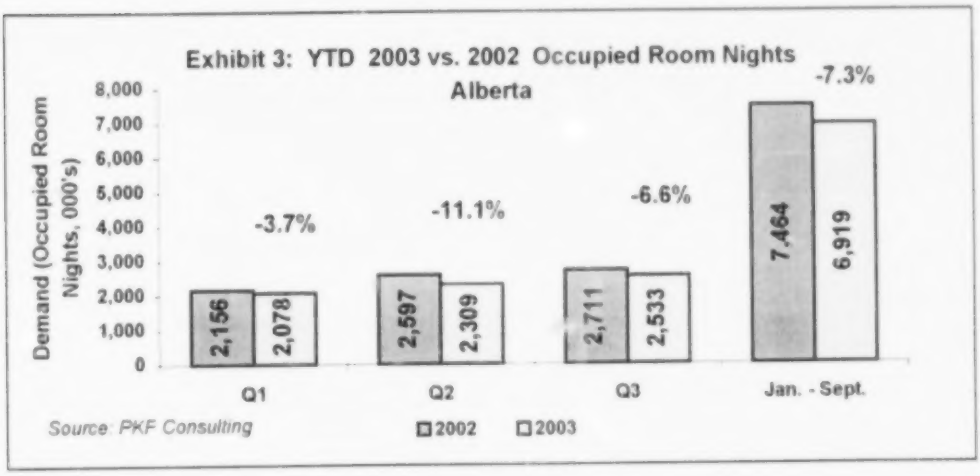
	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Calgary	73%	$111	75%	$112	-3%	-1%
Edmonton	63%	$97	77%	$92	-16%	5%
Alberta Resorts	73%	$275	83%	$272	-12%	1%
Other Alberta	64%	$85	65%	$83	0%	2%
Alberta (ex.Resorts)	**68%**	**$100**	**73%**	**$99**	**-7%**	**2%**

Source: PKF Consulting



- On a month-to-month basis, demand was down by nearly 5% in July, a further 8% in August and off by 7% in September, compared to last year.

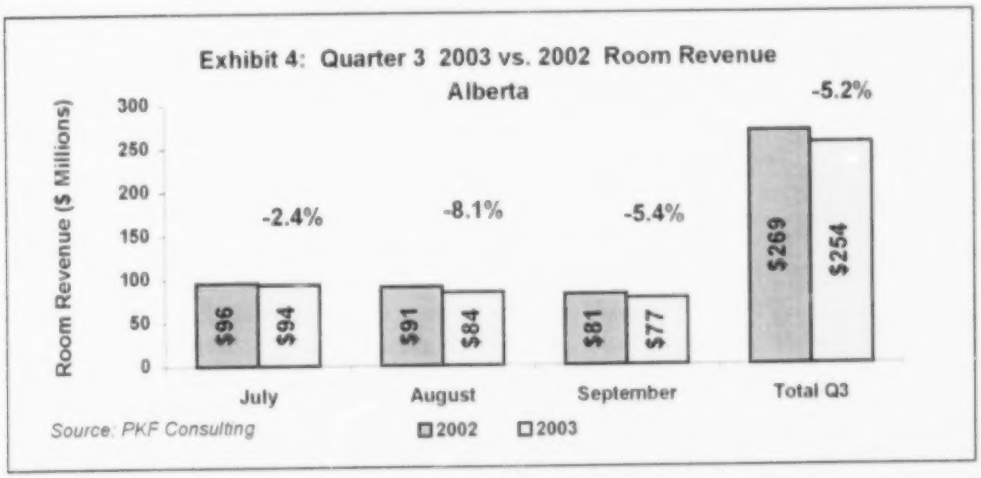
- Demand in the Alberta market has been down each quarter this year – down 3.7% at the end of Quarter 1, with Quarter 2 results showing a further decline of 11.1% and Quarter 3 results down by 6.6%, placing year-to-date results for 2003 7.3% below results achieved in the first nine months of 2002.



Room Revenue

- Following a poor showing in Quarter 2, the Province of Alberta's room revenue declined by 2.4% in July and 8.1% in August and 5.4% in September.

- Overall, Quarter 3 room revenue was down by $14 Million (-5.2%) compared to the same period last year, bringing the year-to-date loss to 5.8% below last year's performance – a loss of $41.7 Million.



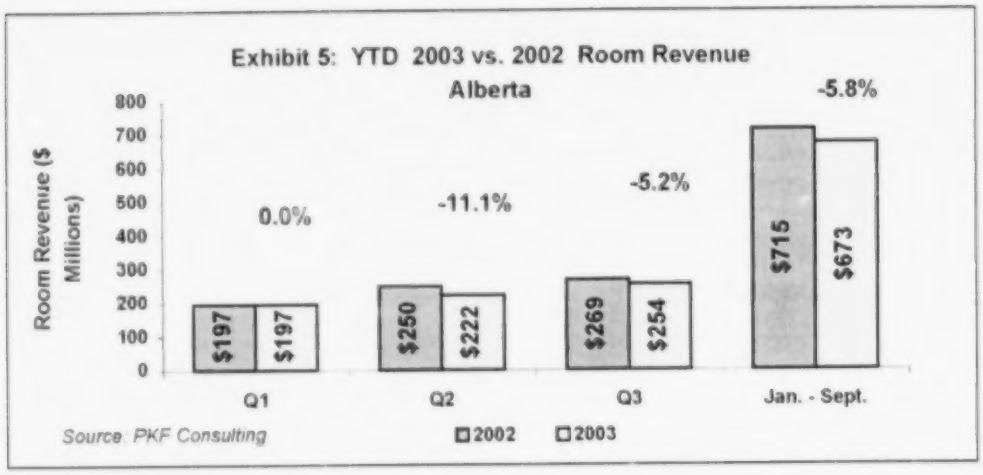


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
Alberta
Room Revenue ($ Millions)
800
700
600
500
400
300
200
100
0
0.0%
-11.1%
-5.2%
-5.8%
$197
$197
$250
$222
$269
$254
$715
$673
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

ALBERTA (excl Resorts) 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL ALBERTA (excl Resorts)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	39,827	39,903	39,865	40,100	40,100	40,140	40,113
Available Room Nights	3,584,430	3,631,146	7,215,576	1,243,100	1,243,100	1,204,200	3,690,400
Occupancy	60%	72%	66%	75%	76%	70%	73%
Occupied Room Nights	2,156,433	2,596,582	4,753,015	926,467	946,745	838,244	2,711,471
Average Daily Rate	$91	$96	$94	$104	$96	$97	$99
Rooms Revenue ($000)	$196,746	$249,567	$446,313	$96,002	$91,067	$81,444	$268,513

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL ALBERTA (excl Resorts)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	40,352	40,573	40,463	40,663	40,663	40,835	40,719
Available Room Nights	3,631,650	3,692,173	7,323,823	1,260,553	1,260,553	1,225,050	3,746,156
Occupancy (-0.5% Growth)	59%	70%	65%	73%	75%	68%	72%
Occupied Room Nights	2,145,651	2,583,599	4,729,250	921,850	942,011	834,052	2,697,914
Average Daily Rate (2% Growth)	$93	$98	$96	$106	$98	$99	$101
Rooms Revenue ($000)	$199,677	$253,286	$452,963	$97,433	$92,424	$82,657	$272,514

2003 ACTUAL RESULTS

TOTAL ALBERTA (excl Resorts)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	40,352	40,573	40,463	40,663	40,663	40,835	40,719
Available Room Nights	3,631,650	3,692,173	7,323,823	1,260,553	1,260,553	1,225,050	3,746,156
Occupancy	57%	63%	60%	70%	69%	64%	68%
Occupied Room Nights	2,077,540	2,308,743	4,386,283	882,891	867,639	782,194	2,532,724
Average Daily Rate	$95	$96	$95	$106	$97	$99	$100
Rooms Revenue ($000)	$196,649	$221,976	$418,625	$93,710	$83,727	$77,054	$254,491

ALBERTA (excl. Resorts) 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL ALBERTA (excl Resorts)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.3%	1.7%	1.5%	1.4%	1.4%	1.7%	1.5%
Occupancy Points	-3.0%	-9.0%	-6.0%	-4.5%	-7.3%	-5.8%	-5.9%
Occupied Room Nights	-3.7%	-11.1%	-7.7%	-4.7%	-8.4%	-6.7%	-6.6%
Average Daily Rate	3.7%	0.0%	1.6%	2.4%	0.3%	1.4%	1.5%
Rooms Revenue ($000)	0.0%	-11.1%	-6.2%	-2.4%	-8.1%	-5.4%	-5.2%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL ALBERTA (excl Resorts)	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-1.9%	-7.4%	-4.7%	-3.1%	-5.9%	-4.2%	-4.4%
Occupied Room Nights	-3.2%	-10.6%	-7.3%	-4.2%	-7.9%	-6.2%	-6.1%
Average Daily Rate	1.7%	-1.9%	-0.4%	0.4%	-1.6%	-0.6%	-0.5%
Rooms Revenue ($000)	-1.5%	-12.4%	-7.6%	-3.8%	-9.4%	-6.8%	-6.6%
Variance to PKF Forecast ($000)	*-$3,028*	*-$31,310*	*-$34,338*	*-$3,722*	*-$8,697*	*-$5,603*	*-$18,021*
Variance to 2002 Actuals ($000)	*-$96*	*-$27,591*	*-$27,688*	*-$2,292*	*-$7,340*	*-$4,390*	*-$14,022*

8.2 CALGARY

QUARTER 3 2003: RESULTS

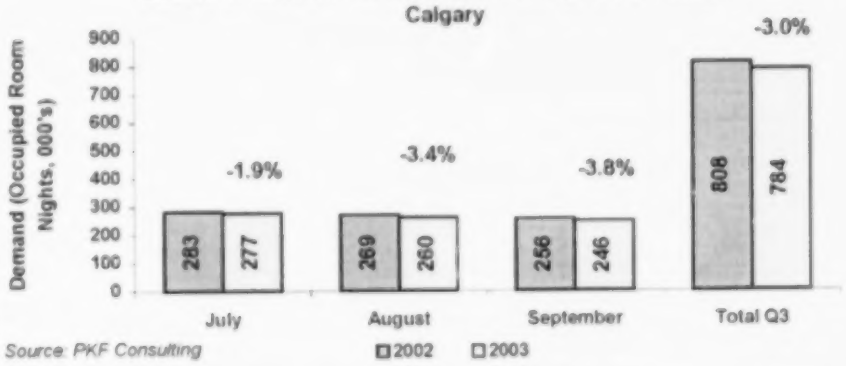
Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Calgary market was 11,772 rooms – 6 rooms more than last year.

Demand

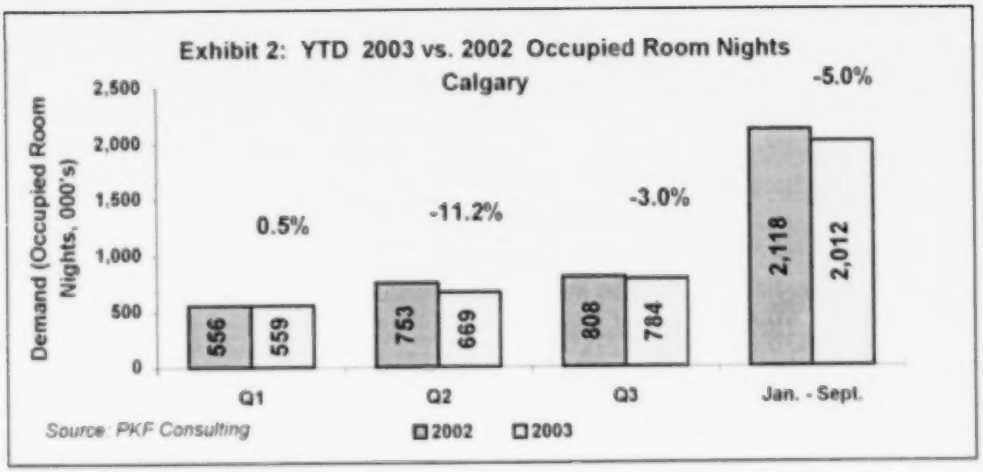
- During Quarter 2, the Calgary hotel market achieved a 73% occupancy at an average daily rate of $110.
- Demand for Calgary hotels **decreased by approximately 24,000 room nights or 3% in Quarter 3 2003**, as compared to the third quarter of 2002.
- From a monthly perspective the Calgary market was down by 1.9% in demand in July, followed by a decline of 3.4% in August and a further decline of 3.8% in September.

Exhibit 1: Quarter 3 2003 vs. 2002 Occupied Room Nights
Calgary



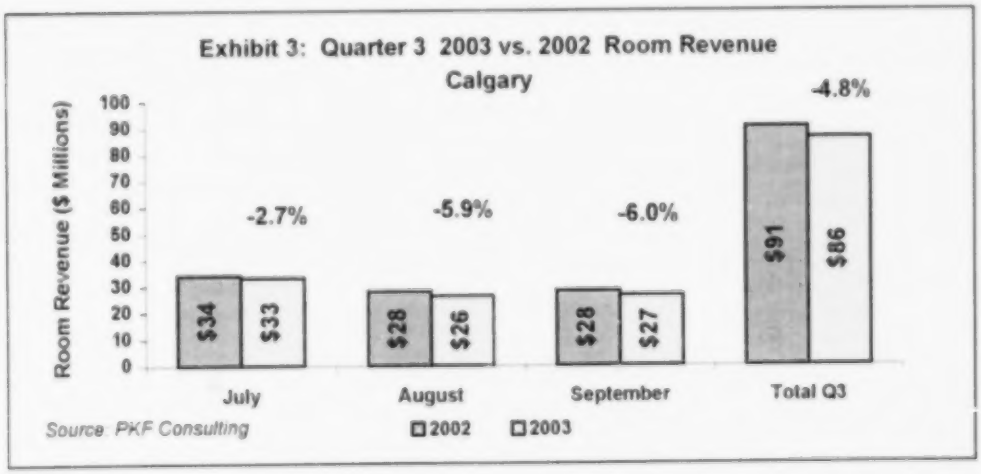
Source: PKF Consulting

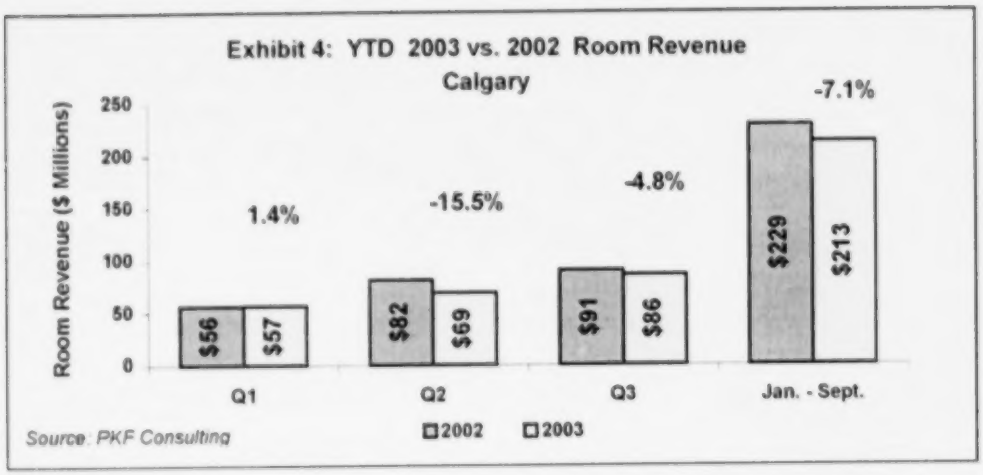
- Demand during Quarter 1 was flat (up by 0.5%), while Quarter 2 experienced a significant attrition in demand (-11.2%), and third quarter results, while not as bad as Quarter 2, contributed to the 5 % year-to-date decline in demand.



Room Revenue

- Calgary suffered a loss of $0.9 Million in room revenue during the month of July, followed by a further loss of $1.7 Million in August and $1.7 in the month of September, in comparison to last year.
- With consecutive losses each month in the 3rd Quarter, room revenue was down by 4.8% for the Quarter – a loss of $4.3 Million. Year-to-date room revenue is behind by $16 Million.





Budgets and PKF Outlook

- According to our PKF Outlook for the Calgary hotel market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the Calgary hotel market was forecast to achieve a 76% occupancy at an average daily rate of $113 in Quarter 3 2003.

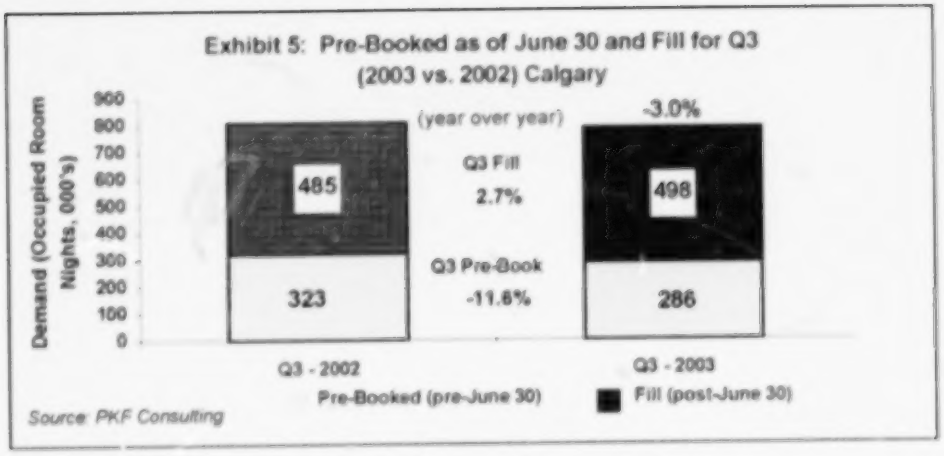
- In preparing their operating budgets at the beginning of the year, Calgary hotel operators expected to achieve lower occupancy results than the PKF Outlook – 75% occupancy --- at a slightly higher as PKF -- $114 – by the end of the third quarter.

- Based on actual Quarter 3 results, the industry missed their budgets by 2 percentage points in occupancy, and $4 in rate.

Pre-Booked Business and Fill Rate

- As of June 30st, Calgary hoteliers had pre-booked close to 286,000 room nights for the upcoming months of July, August and September – 12% fewer room nights than were pre- booked over the same time frame last year.

- Overall Quarter 3 demand was down by 3% in 2003, and the fill rate for the industry (post June 30st) improved by approximately 3% this Quarter, with 498,000 room nights sold between July 1 and September 30, compared to 485,000 last year.



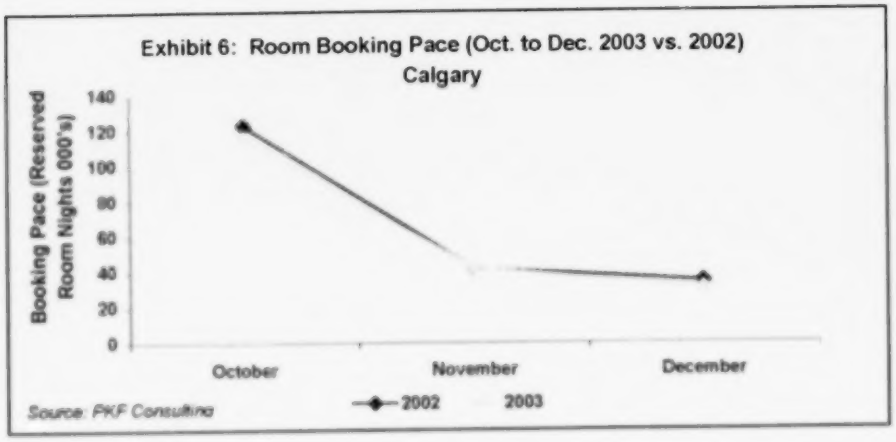
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Calgary hotel industry attributed most of their softer demand in Quarter 3 2003 to local, regional and national economic conditions (86%) and "other" reasons (5%).
- The segment responsible for the largest decline in demand was business travel at 49%, followed by group leisure business (21%) and meetings/convention travel third at 19%.
- Furthermore, the industry citied domestic and US travel as the main origin of this erosion in business at 69% and 25%, respectively.
- Based on the hotel guest's primary mode of transportation used to arrive in Calgary, approximately 61% of the loss in Quarter 3 was attributable to a decline in air traffic, with a further 33% attributable to a loss in automobile travellers.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 199,000 room nights or 34% of October, November and December's 2002 business was pre-booked. In comparison, as of September 30, 2003, 189,000 room nights was "on the books" for Quarter 4 –in other words, **10,000 fewer room nights are pre-booked for Quarter 4 this year**, as compared to the same period last year.
- This year's Quarter 4 booking pace is off by 5% in comparison to 2002, improving considerably from the second and third quarters, which were off by 33% and 12%, respectively.
- Looking ahead to the winter months, Quarter 4 demand is expected to be flat given booking pace.



Q4 - Room Cancellations

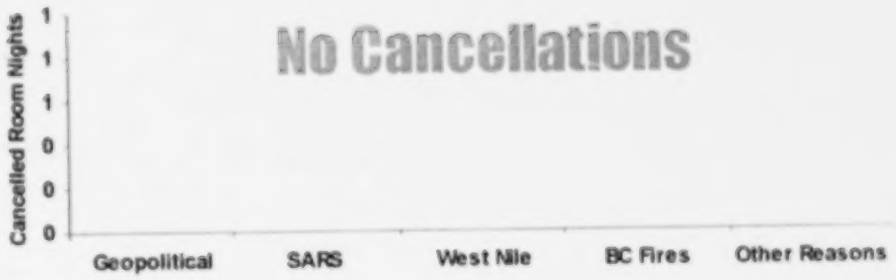
- Calgary hoteliers did not report any room cancellations for the forth quarter of 2003.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th (cumulative)
Calgary	0	0
Cancelled Room Nights *Due to SARS*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Geopolitical Reasons*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to West Nile Virus*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to BC Fires*	0 *0%*	0 *0%*
Cancelled Room Nights *Due to Other Reasons*	0 *0%*	0 *0%*

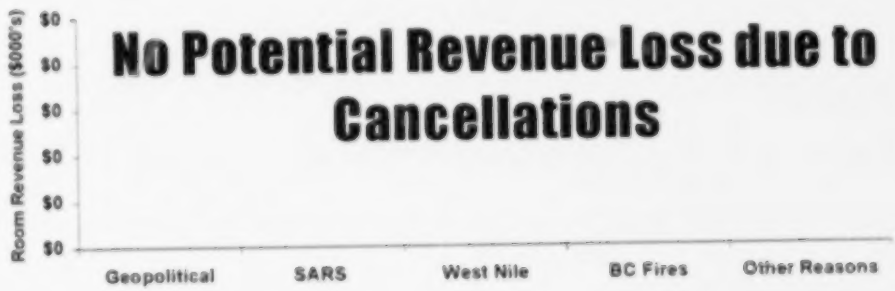
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003)
Calgary



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Calgary



Source: PKF Consulting

Calgary

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 PKF OUTLOOK AT JANUARY 1, 2003

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy Points (+2.0%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate (+1.0%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL RESULTS

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Available Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BOOKING PATTERNS

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% Of Rooms Sold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2003 BOOKINGS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
% Of Rooms Sold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
02/2003 VARIANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL TO 2003 PKF OUTLOOK

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Calgary	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occupied Room Nights	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Average Daily Rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rooms Revenue ($000)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(84,709)	Total	100%	(84,709)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(84,709)	Total	100%	(84,709)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Total	100%	[illegible]	Total	0%	0
% Of 2002 Total	[illegible]	$ 42,291	% Of 2002 Total	0%	$ 0

	Q3 Potential	Q4 Potential
[illegible]	$	$
[illegible]	[illegible]	$
[illegible]	$	$
[illegible]	$	$
[illegible]	$	$
	[illegible]	[illegible]

MONTH OF JULY	[illegible]	[illegible]
	[illegible]	[illegible]
MONTH OF AUG	[illegible]	[illegible]
	[illegible]	[illegible]
MONTH OF SEPT	[illegible]	[illegible]
	[illegible]	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(24,236)	Total	100%	(24,236)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(24,236)	Total	100%	(24,236)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
Total	0%	0
% Of 2002 Total	0%	$ 0

	Q4 Potential
[illegible]	$
[illegible]	$
[illegible]	$
[illegible]	$
[illegible]	$
	$0

8.3 EDMONTON

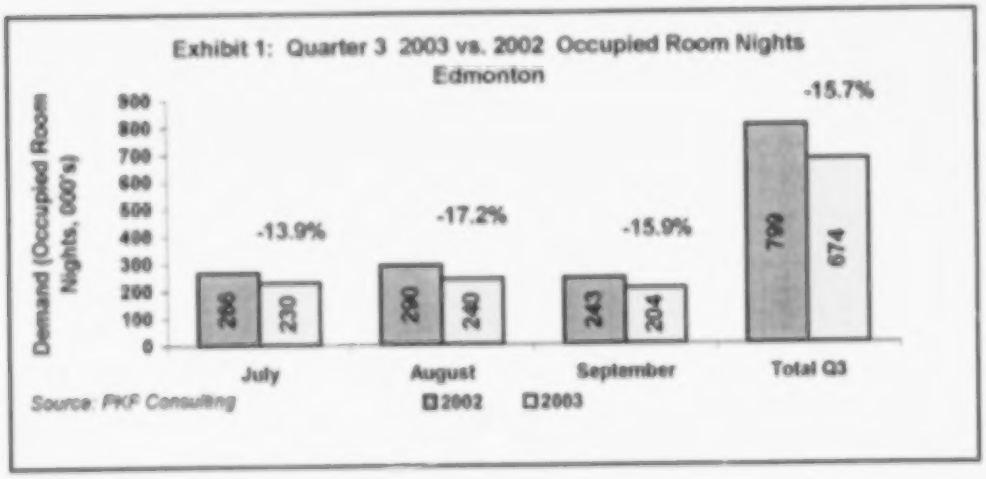
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

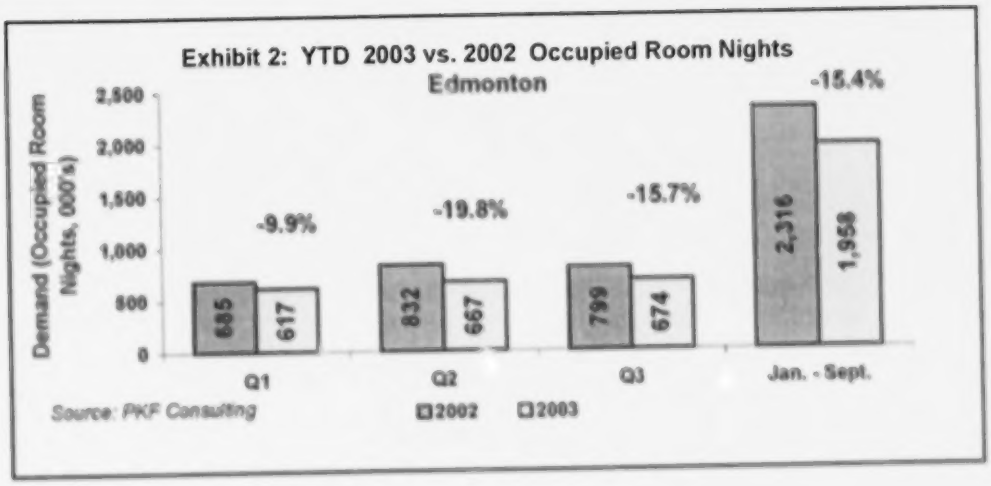
- In Quarter 3 2003, the overall inventory of hotel rooms in the Edmonton market was 11,556 rooms – a 2.7% increase in inventory compared to the 3rd Quarter of 2002.

Demand

- During Quarter 3, the Edmonton hotel market achieved a 63% occupancy at an average daily rate of $97.
- Demand for Edmonton hotels **decreased by 15.7% in Quarter 3 2003 – a loss of approximately 125,000 room nights**, as compared to the 3rd Quarter of 2002.
- On a month-to-month basis, Edmonton's hotel sector experienced a decline in demand of 13.9% in July, 17.2% in August and 15.9% in September.



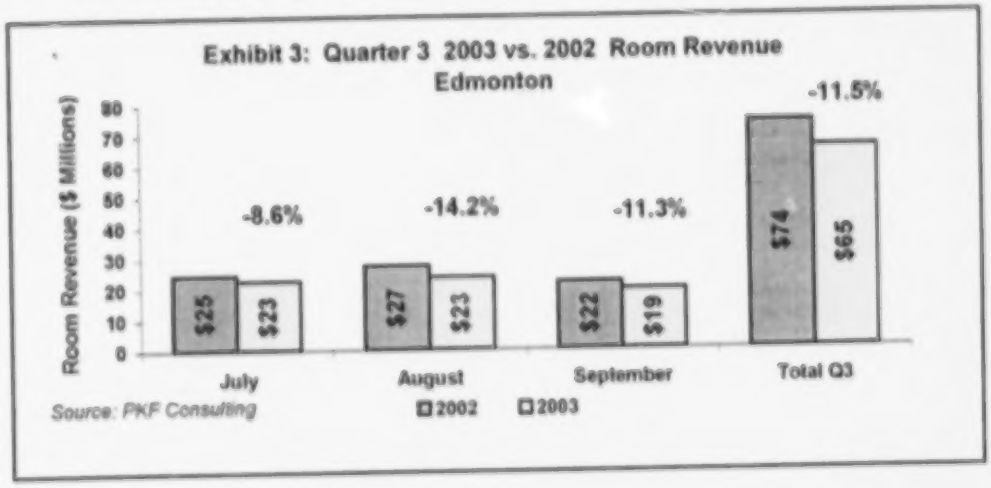
- There were 357,727 fewer room nights sold from January – September 2003 compared to the same time period for 2002, a year-to-date decrease in demand of 15.4%.

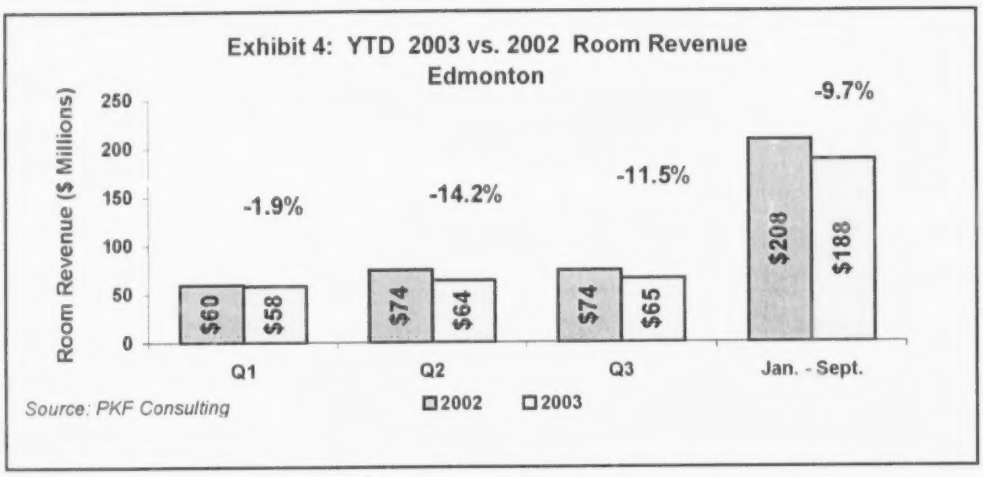


Room Revenue

- Edmonton's room revenue declined by 8.6% in July, 14.2% in August, and 11.3% in September.

- Overall, 3rd Quarter room revenue was down by $8.5 Million (11.5%) compared to the same period last year, reducing year-to-date room revenue by 9.7% -- $20.2 Million below 2002 results.





Budgets and PKF Outlook

- According to our PKF Outlook for the Edmonton hotel market, prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the Edmonton hotel market was forecast to achieve a 71% occupancy at an average daily rate of $96 in Quarter 3 2003.

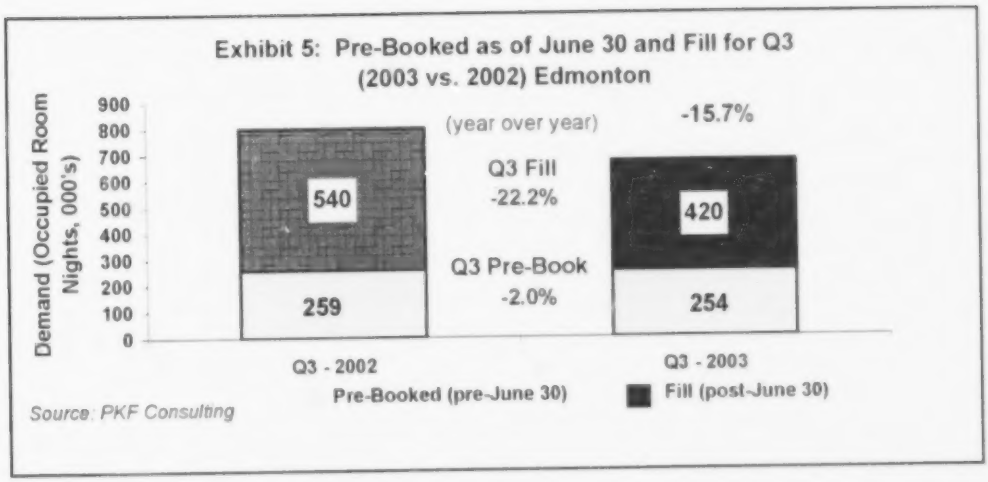
- In preparing their operating budgets at the beginning of the year, Edmonton hotel operators expected to achieve the same occupancy results as the PKF Outlook – 71% occupancy ---at a higher rate than PKF -- $98 – in the third quarter.

- Based on actual results, the industry missed their budgets by 7 percentage points in occupancy, and $2 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, 2002 Edmonton hoteliers had pre-booked almost 260,000 room nights for the upcoming months of July, August and September – as of June 30th, 2003 pre-bookings in the Edmonton marker were down by 2% to 254,000 compared to the same time frame last year.

- Overall Edmonton's Quarter 3 demand was down by 15.7% in 2003, while the fill rate for the market was down by 22%, with 420,000 room nights sold between July 1 and September 30, as opposed to 540,000 last year.



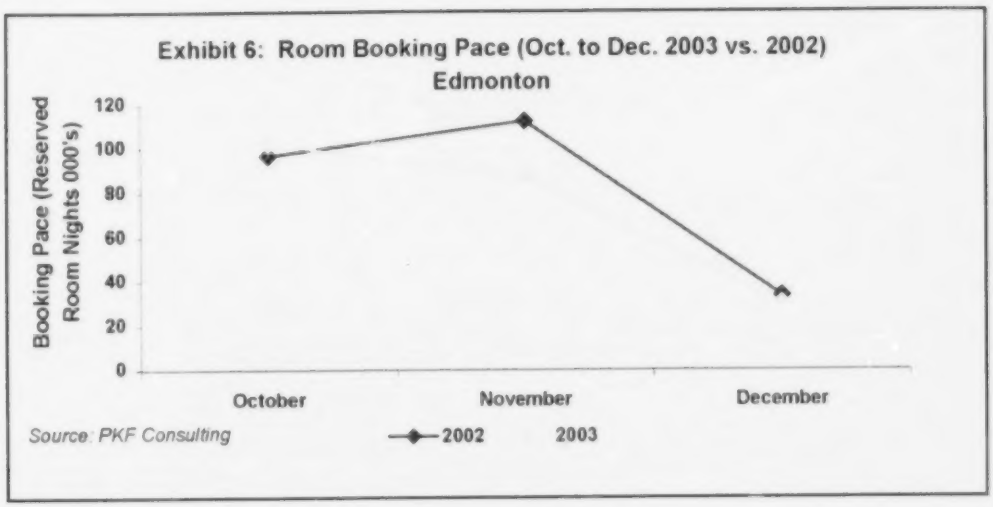
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Edmonton hotel industry attributed most of their decreased demand in Quarter 3 2003 to economic conditions (46%), SARS (22%), and increased competition (19%)
- Approximately 35% of the demand loss in Quarter 3 2003 was due to a decrease in business travel demand, with a further 26% attributable to a decline in group leisure travel.
- Edmonton's accommodation industry attributed the majority of the reduction in demand to domestic travellers (81%).
- Based on the hotel guest's primary mode of transportation used to arrive in Edmonton, approximately 56% of the loss in Quarter 3 was attributable to a decline in automobile traffic, with a further 40% attributable to a loss in airline travellers.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, over 242,000 room nights or **38%** of October, November and December 2002's business was pre-booked. In comparison, as of September 30, 2003, **356,000 room nights** of business were pre-booked for Quarter 4 –meaning that over **114,000 more room nights are pre-booked for Quarter 4 2003** as compared to the same period in 2002.
- This year's Quarter 4 booking pace is up by 47% in comparison to 2002.
- From a month-by-month perspective, pre-bookings are up for October by 5% and down in November and December by 22% and 10%, respectively.



Q4 - Room Cancellations

- As of September 30th the Edmonton hotel sector has reported over 18,000 cancellations during Quarter 4 2003. This represents 3% of overall demand during Quarter 4 last year.
- According to hotel operators, 18% of the cancellations are attributable to SARS.
- The **potential room revenue loss** due to room cancellations is estimated at over **$1.8 Million.**
- At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7:
ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th
Edmonton	9,670	18,247
Cancelled Room Nights	2,417	3,197
Due to SARS	***25%***	***18%***
Cancelled Room Nights	0	780
Due to Geopolitical Reasons	***0%***	***4%***
Cancelled Room Nights	0	0
Due to West Nile Virus	***0%***	***0%***
Cancelled Room Nights	0	390
Due to BC Fires	***0%***	***2%***
Cancelled Room Nights	7,252	13,879
Due to Other Reasons	***75%***	***76%***

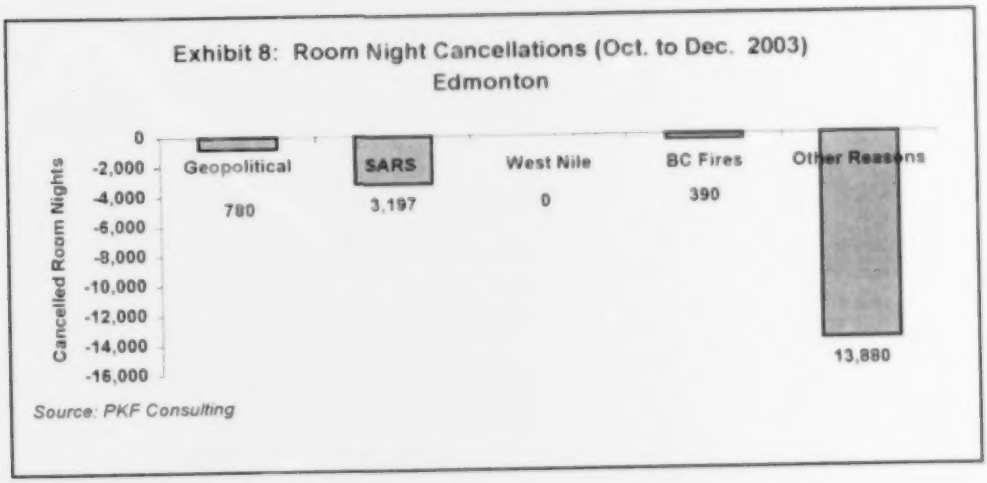


Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003)
Edmonton
Cancelled Room Nights
0
-2,000
-4,000
-6,000
-8,000
-10,000
-12,000
-14,000
-16,000
Geopolitical
780
SARS
3,197
West Nile
0
BC Fires
390
Other Reasons
13,880
Source: PKF Consulting

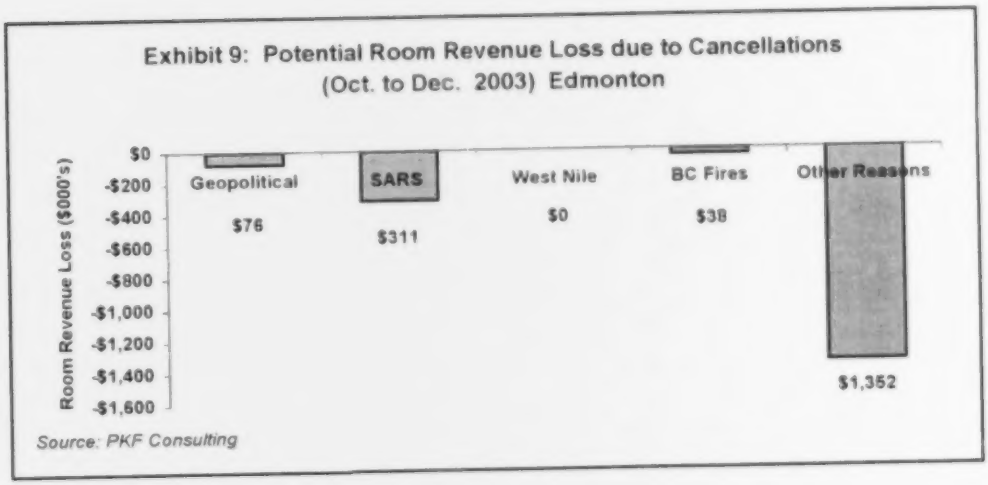


Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Edmonton
Room Revenue Loss ($000's)
$0
-$200
-$400
-$600
-$800
-$1,000
-$1,200
-$1,400
-$1,600
Geopolitical
$76
SARS
$311
West Nile
$0
BC Fires
$38
Other Reasons
$1,352
Source: PKF Consulting

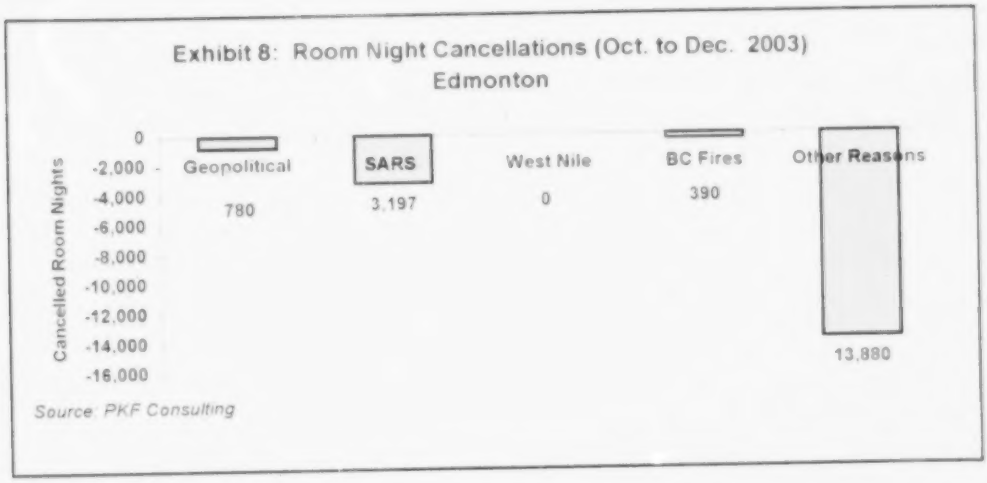


Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003)
Edmonton
Cancelled Room Nights
0
-2,000
-4,000
-6,000
-8,000
-10,000
-12,000
-14,000
-16,000
Geopolitical
780
SARS
3,197
West Nile
0
BC Fires
390
Other Reasons
13,880
Source: PKF Consulting

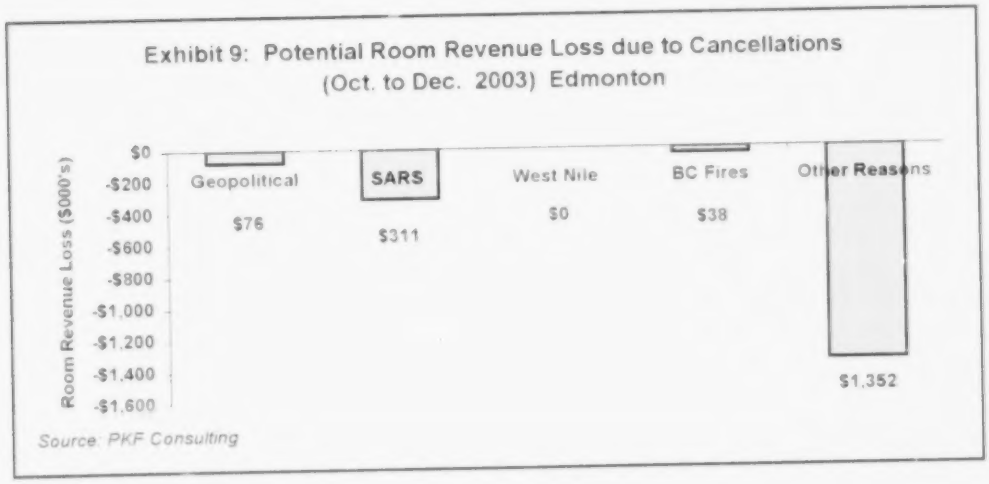


Exhibit 9: Potential Room Revenue Loss due to Cancellations
(Oct. to Dec. 2003) Edmonton
Room Revenue Loss ($000's)
$0
-$200
-$400
-$600
-$800
-$1,000
-$1,200
-$1,400
-$1,600
Geopolitical
$76
SARS
$311
West Nile
$0
BC Fires
$38
Other Reasons
$1,352
Source: PKF Consulting

Edmonton

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,252	11,252	11,252	11,252	11,252	11,252	11,252	11,252	11,252	11,252	11,252
Available Room Nights	1,012,680	1,023,932	2,036,612	348,812	348,812	337,560	1,035,184	348,812	337,560	348,812	1,035,184
Occupancy	58%	81%	74%	76%	83%	72%	77%	68%	72%	49%	62%
Occupied Room Nights	584,628	831,902	1,516,530	266,423	290,002	242,571	798,996	236,495	241,355	166,983	644,833
Average Daily Rate	$87	$89	$88	$93	$94	$90	$92	$96	$102	$93	$97
Rooms Revenue ($000)	$51,134	$74,353	$133,887	$24,669	$27,363	$21,849	$73,879	$22,774	$24,505	$15,451	$62,731

2003 PKF OUTLOOK AT JANUARY 1, 2003

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,379	11,511	11,445	11,556	11,556	11,556	11,556	11,556	11,556	11,713	11,609
Available Room Nights	1,024,080	1,047,456	2,071,536	358,236	358,236	346,680	1,063,152	358,236	346,680	363,103	1,068,019
Occupancy (+ / -2.0%)	63%	75%	69%	70%	76%	66%	71%	62%	65%	43%	57%
Occupied Room Nights	643,550	781,988	1,425,538	250,437	272,602	228,018	751,056	222,305	226,674	156,400	605,379
Average Daily Rate (+/-2.0%)	$90	$93	$91	$95	$98	$93	$96	$100	$105	$96	$100
Rooms Revenue ($000)	$57,921	$72,338	$130,259	$24,000	$26,639	$21,256	$71,878	$22,157	$23,841	$15,033	$63,031

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,379	11,511	11,445	11,556	11,556	11,556	11,556	11,556	11,556	11,713	11,609
Available Room Nights	1,024,080	1,047,456	2,071,536	358,236	358,236	346,680	1,063,152	358,236	346,680	363,103	1,068,019
Occupancy	69%	71%	70%	71%	74%	69%	71%	67%	68%	49%	61%
Occupied Room Nights	709,694	748,912	1,458,606	253,810	264,270	239,937	756,016	240,990	236,869	178,235	655,894
Average Daily Rate	$92	$97	$94	$99	$100	$96	$98	$99	$99	$97	$99
Rooms Revenue ($000)	$65,044	$72,293	$137,336	$25,110	$26,392	$23,051	$74,553	$23,887	$23,503	$17,303	$64,693

2003 ACTUAL RESULTS

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	11,379	11,511	11,445	11,556	11,556	11,556	11,556	11,556	11,556	11,713	11,609
Available Room Nights	1,024,080	1,047,456	2,071,536	358,236	358,236	346,680	1,063,152	358,236	346,680	363,103	1,068,019
Occupancy	50%	64%	62%	54%	57%	53%	53%	0%	0%	0%	0%
Occupied Room Nights	616,805	667,254	1,284,059	229,522	240,197	234,021	673,740	0	0	0	0
Average Daily Rate	$95	$96	$95	$96	$98	$95	$97	$0	$0	$0	$0
Rooms Revenue ($000)	$58,401	$64,108	$122,171	$22,133	$23,465	$19,372	$65,379	$0	$0	$0	$0

BOOKING PATTERNS

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	181,249	327,113	508,363	105,461	106,638	46,839	258,958	96,580	112,092	33,357	242,029
% Of Rooms Sold	25%	39%	34%	40%	37%	19%	32%	41%	46%	20%	35%
2003 BOOKINGS	174,547	274,111	448,657	121,240	85,984	45,475	253,698	101,853	87,450	30,078	219,391
% Of Rooms Sold	28%	41%	35%	53%	36%	22%	38%				
2002/2003 VARIANCE	4%	10%	12%	15%	-1%	3%	7%	5%	-22%	-10%	-9%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	1.1%	2.3%	1.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	4.1%	3.2%
Occupancy Points	-7.4%	-17.5%	-12.5%	-12.3%	-16.1%	-13.0%	-13.8%	-67.8%	-71.5%	-47.7%	-62.2%
Occupied Room Nights	-9.9%	-10.8%	-15.3%	13.9%	-17.2%	-15.9%	-15.7%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	8.9%	6.9%	7.8%	6.1%	3.5%	5.4%	4.9%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-1.9%	-14.2%	-8.8%	8.6%	-14.2%	-11.3%	-11.5%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-2.6%	-11.0%	-6.9%	-5.8%	-9.0%	-6.9%	-7.3%	-62.1%	-65.4%	-43.1%	-58.1%
Occupied Room Nights	-4.2%	-14.7%	-9.9%	-8.4%	-11.9%	-10.5%	-10.3%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	5.2%	3.3%	4.1%	2.5%	0.0%	1.9%	1.4%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	0.8%	-11.8%	-6.2%	-6.1%	-11.9%	-8.9%	-9.0%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Edmonton	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-9.1%	-7.9%	-8.4%	-8.8%	-6.1%	-10.4%	-7.9%	-67.3%	-68.3%	-49.1%	-61.4%
Occupied Room Nights	-13.1%	-10.9%	-12.0%	-9.8%	-9.1%	-15.0%	-11.1%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	3.3%	1.0%	1.1%	-0.7%	-2.2%	-1.2%	-1.3%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-10.2%	-11.8%	-11.0%	-10.2%	-11.1%	-16.0%	-12.3%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	31%	[illegible]	Business Travel	24%	[illegible]
Increased Competition	15%	[illegible]	Independent Leisure Travel	9%	[illegible]
Geopolitical	6%	[illegible]	Group Leisure	10%	[illegible]
SARS	14%	[illegible]	Meetings/Convention Travel	26%	[illegible]
Hotel fees	1%	[illegible]	Government	10%	[illegible]
Rental Car	0%		Other	13%	[illegible]
Other	32%	62,411			
Total	100%	(164,648)	**Total**	100%	(164,648)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	80%	[illegible]	Air	54%	[illegible]
US Travel	10%	[illegible]	Automobile	15%	[illegible]
Overseas Travel	10%	[illegible]	Motorcoach	9%	[illegible]
			Other	1%	[illegible]
Total	100%	(164,648)	**Total**	100%	(164,648)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Geopolitical	0%		Geopolitical	0%	
SARS	100%	6,236	SARS	25%	2,417
Hotel fees	0%		Hotel fees	0%	
Rental Car	0%		Rental Car	0%	
Other	0%		Other	75%	[illegible]
Total	100%	6,236	**Total**	100%	9,670
% Of 2002 Total	1%	$ 576,589	**% Of 2002 Total**	1%	$ 941,585

	Q3 Potential	Q4 Potential
Geopolitical	$0	$0
SARS	$576,589	$235,396
Hotel fees	$0	$0
Rental Car	$0	$0
Other	$0	$705,189
	$576,589	$941,585

MONTH OF JULY	*Variance to PKF Forecast ($000)*	41,491
	Variance to 2002 Actuals ($000)	42,129
MONTH OF AUG	*Variance to PKF Forecast ($000)*	43,158
	Variance to 2002 Actuals ($000)	43,897
MONTH OF SEPT	*Variance to PKF Forecast ($000)*	41,884
	Variance to 2002 Actuals ($000)	42,477

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	40%	[illegible]	Business Travel	30%	[illegible]
Increased Competition	10%	[illegible]	Independent Leisure Travel	11%	[illegible]
Geopolitical	5%	[illegible]	Group Leisure	20%	[illegible]
SARS	22%	[illegible]	Meetings/Convention Travel	11%	[illegible]
Hotel fees	3%		Government	9%	[illegible]
DC Fees	1%	[illegible]	Other	1%	[illegible]
Other	1%	[illegible]			
Total	100%	(125,266)	**Total**	100%	(125,266)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	81%	[illegible]	Air	43%	[illegible]
US Travel	10%	[illegible]	Automobile	16%	[illegible]
Overseas Travel	9%	[illegible]	Motorcoach	4%	[illegible]
			Other	1%	
Total	100%	(125,266)	**Total**	100%	(125,266)

Q4 CANCELLATIONS	%	ORN
Geopolitical	1%	10
SARS	9%	10
Hotel fees	0%	
DC Fees	1%	10
Other	11%	[illegible]
Total	100%	8,577
% Of 2002 Total	1%	$ 835,124

	Q4 Potential
Geopolitical	$75,835
SARS	$75,835
Hotel fees	$0
DC Fees	$37,918
Other	$645,536
	$835,124

8.4 ALBERTA RESORTS

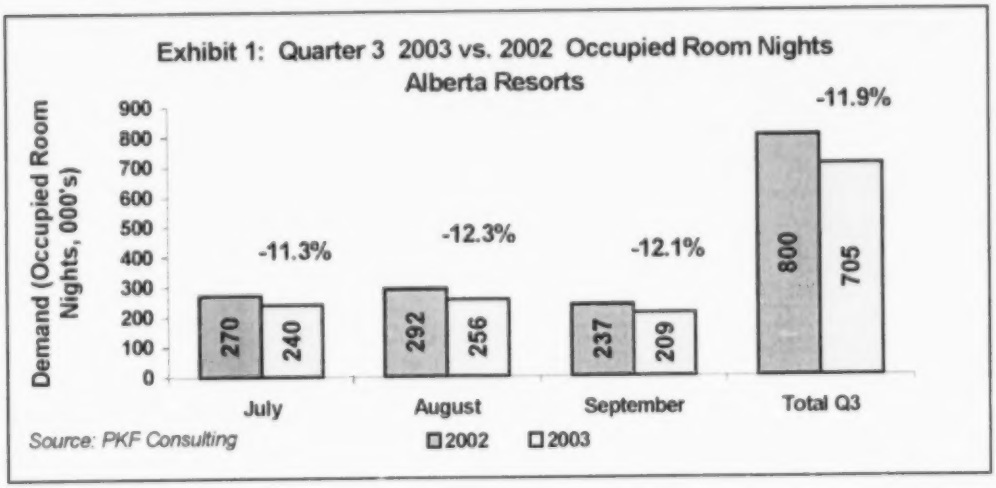
QUARTER 3 2003: RESULTS

Hotel Supply Inventory

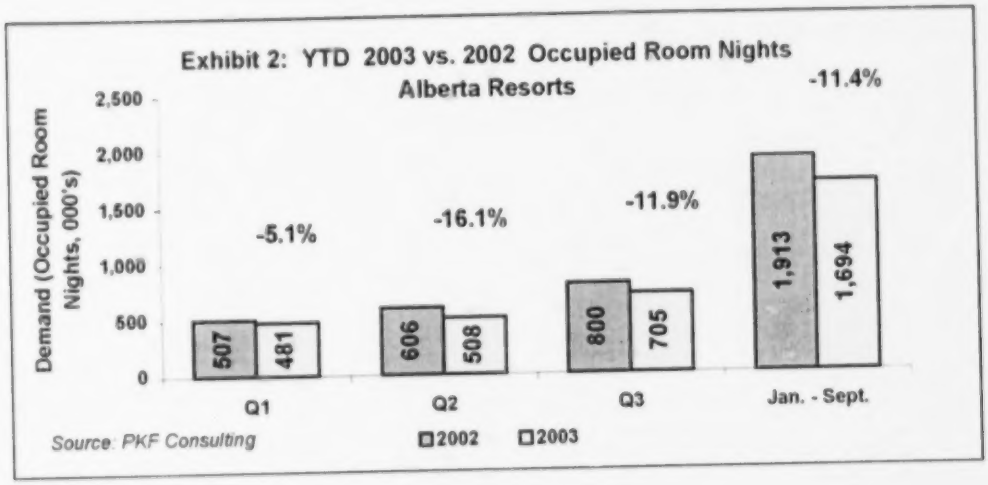
- In Quarter 3 2003, the overall inventory of hotel rooms in the Alberta Resort market was 10,540 rooms – a 0.6% increase over the same period in 2002, with the addition of 65 rooms to Alberta's resort inventory.

Demand

- During Quarter 3, the Alberta Resort market achieved a 73% occupancy at an average daily rate of $275.
- Demand for Alberta Resorts **decreased by almost 95,000 room nights or 11.9% in Quarter 3 2003**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry was consistently down by 11 to 12% each month of the third quarter.



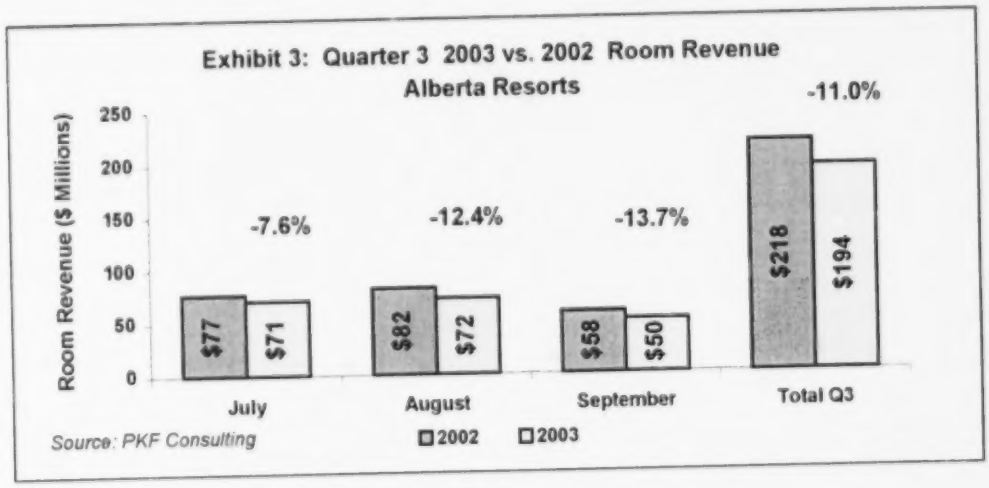
- With demand down by 5.1% at the end of Quarter 1 and Quarter 2 and 3 results showing a further decline of 16.1% and 11.9% respectively, the **year-to-date results for 2003 are 11.4% below results achieved in the first nine months of 2002.**

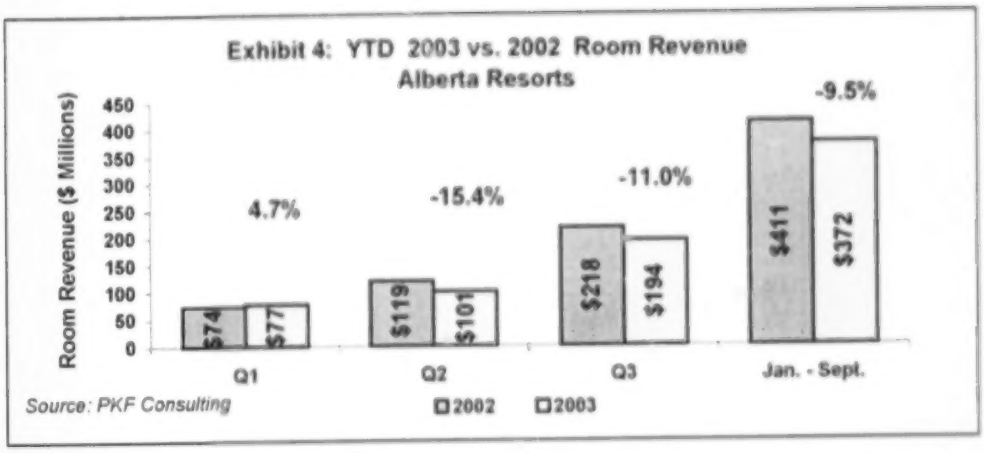


Room Revenue

- Each month of Quarter 3 also underwent a decline in room revenue amongst Alberta Resorts -- July room revenues were off by 7.6%; August was off by 12.4%, and September recorded a 13.7% decline.

- Overall, Quarter 3 room revenue was down by $24 Million (11%) compared to the same period last year. Although room revenues were actually ahead of last year by the end of Quarter 1, Quarter 2 and 3's losses have resulted in year-to-date room revenue is currently behind by 9.5% -- $39 Million below last year's results.





Budgets and PKF Outlook

- According to our PKF Outlook for the Alberta Resort market, which was prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), Alberta Resorts were forecast to achieve a 83% occupancy at an average daily rate of $277 in Quarter 3 2003.

- In preparing their operating budgets at the beginning of the year, Alberta resort operators expected to achieve slightly higher occupancy results than the PKF Outlook – 85% occupancy —at a stronger rate – $287 – by the end of the third quarter.

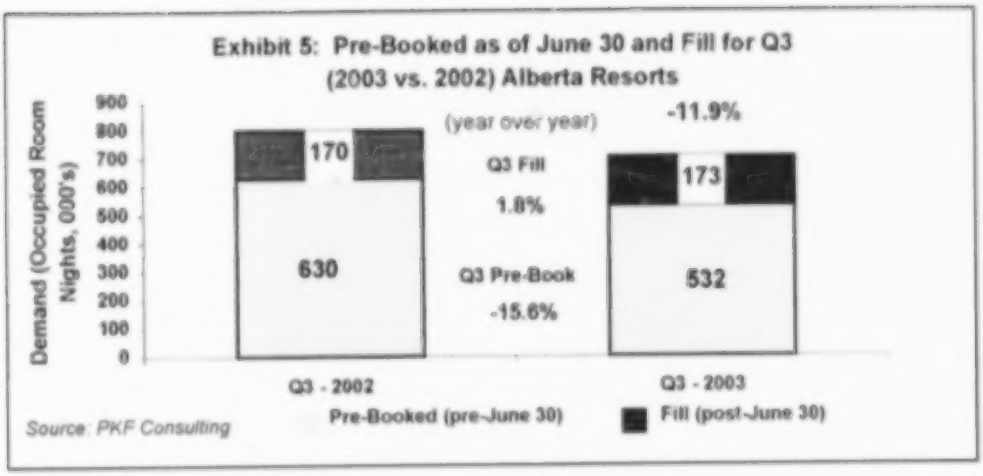
- Based on actual results, the industry missed their budgets by 12 percentage points in occupancy, and $12 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Alberta Resort operators had pre-booked close to 532,000 room nights for the upcoming summer months of July, August and September– 16% fewer room nights than were pre- booked over the same time frame last year.

- Approximately 173,000 room nights were booked during the Quarter as compared to 170,000 during the same period last year – a 1.8% improvement in the fill rate.

- The modest fill rate did not offset the decline in pre-bookings for the quarter, resulting in an overall decline of 11.9% in demand for Alberta Resorts during Quarter 3.



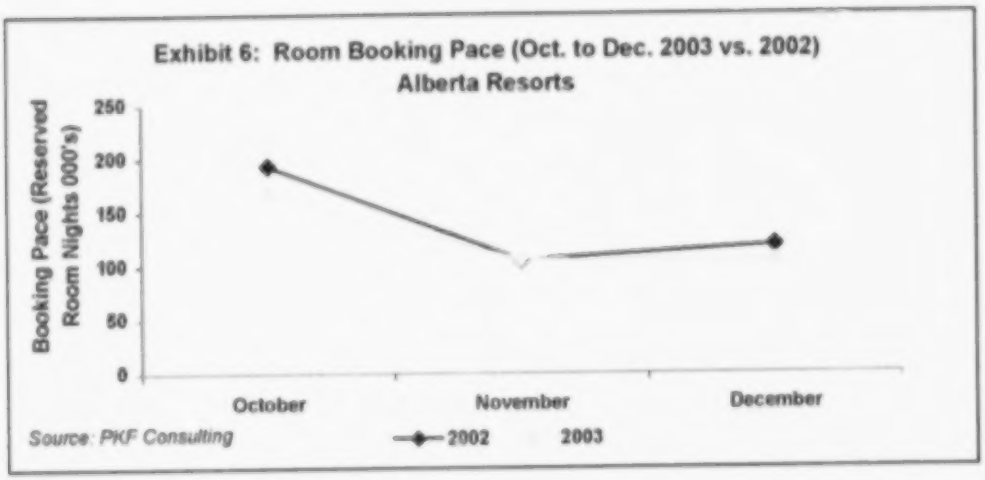
Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Alberta Resort industry attributed most of their decrease in demand in Quarter 3 2003 to other factors (54%) and SARS (18%).
- Approximately 47% of the demand loss in Quarter 3 2003 was due to other sources of demand (mainly wholesale business), as well as a drop in group leisure travel (29%).
- Furthermore, resort operators attributed a decline in international travellers as the main loss of business at 81%.
- Based on the hotel guest's primary mode of transportation used to arrive at Alberta Resorts, over half of the loss in Quarter 3 was attributable to a decline in air travellers, with a further 26% due to a loss of motorcoach tour business.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

- As of September 30, 2002, 417,000 room nights or 84% of October, November and December's 2002's business was pre-booked. In comparison, as of the same date this year, 377,000 room nights were pre-booked for Quarter 4 – which means that just under 40,000 fewer room nights have been pre-booked for Quarter 4 2003 as compared to the same period in 2002.
- While Quarter 2's booking pace was only off by 1%, Quarter 3's booking pace was down by 16% and Quarter 4 is off by 10% in comparison to last year.
- Given the low fill rate in Quarters 2 and 3, combined with the decline in Quarter 4 pre-bookings, prospects for the Alberta Resort sector are not encouraging for Quarter 4.



Q4 - Room Cancellations

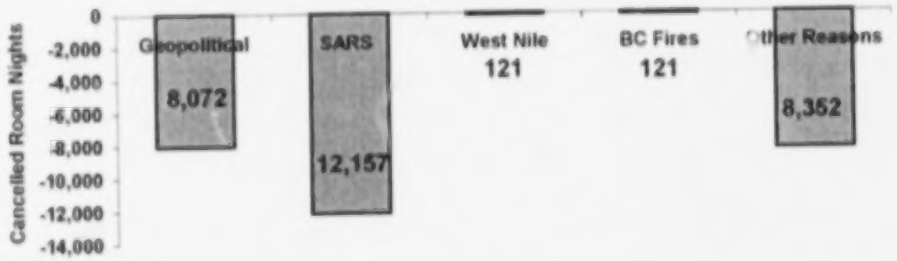
- Since early summer, Alberta Resorts reported close to **29,000 room cancellations** during Quarter 4 2003. This represents 5.8% of last year's overall Quarter 4 demand results.
- According to hotel operators, 42% of the room cancellations were attributable to SARS, with 28% each due to geopolitical factors and other reasons.
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the Alberta Resort market is estimated at **$4.2 Million**. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: QUARTER 4 ROOM CANCELLATIONS

	As at June 30th	As at Sept. 30th (cumulative)
Alberta Resorts	24,959	28,823
Cancelled Room Nights	11,855	12,157
Due to SARS	**47%**	**42%**
Cancelled Room Nights	7,215	8,072
Due to Geopolitical Reasons	**29%**	**28%**
Cancelled Room Nights	0	121
Due to West Nile Virus	**0%**	**1%**
Cancelled Room Nights	0	121
Due to BC Fires	**0%**	**1%**
Cancelled Room Nights	5,889	8,352
Due to Other Reasons	**24%**	**28%**

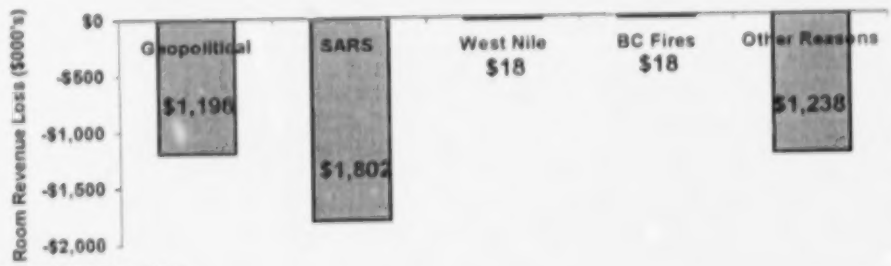
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Alberta Resorts



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Alberta Resorts



Source: PKF Consulting

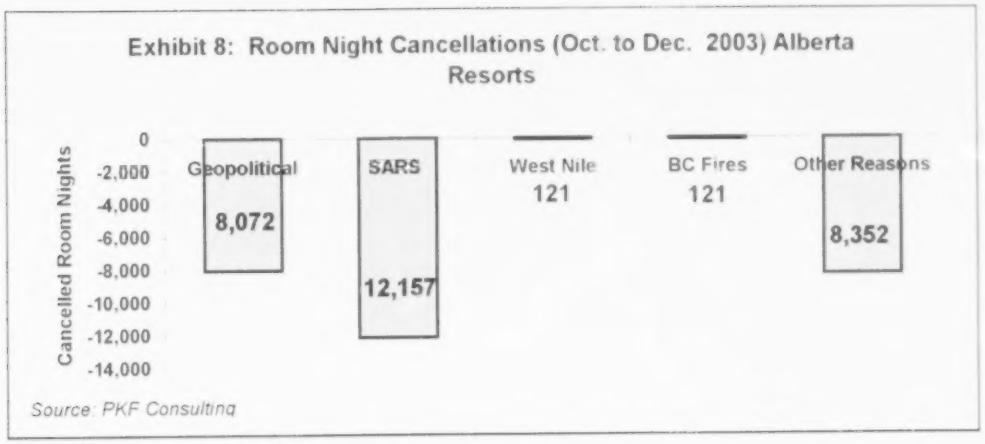


Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Alberta Resorts
Cancelled Room Nights
0
-2,000
-4,000
-6,000
-8,000
-10,000
-12,000
-14,000
Geopolitical
8,072
SARS
12,157
West Nile
121
BC Fires
121
Other Reasons
8,352
Source: PKF Consulting

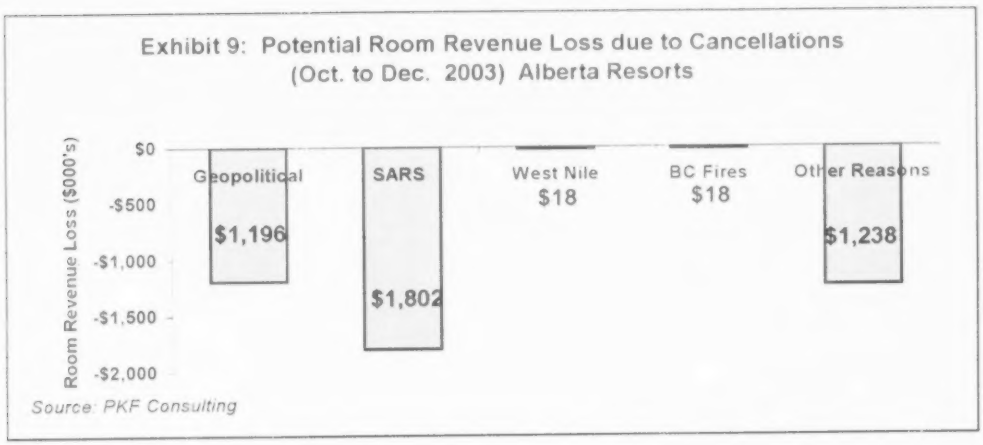


Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Alberta Resorts
Room Revenue Loss ($000's)
$0
-$500
-$1,000
-$1,500
-$2,000
Geopolitical
$1,196
SARS
$1,802
West Nile
$18
BC Fires
$18
Other Reasons
$1,238
Source: PKF Consulting

Alberta Resorts

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	10,446	10,446	10,475	10,475	10,475	10,475	10,475	10,475	10,475	10,475	10,475
Available Room Nights	934,740	950,555	1,885,295	324,725	324,725	314,250	963,700	324,725	314,250	324,725	963,700
Occupancy	54%	54%	59%	83%	90%	75%	83%	52%	46%	46%	51%
Occupied Room Nights	506,941	515,465	1,112,906	270,496	292,220	237,164	799,880	201,654	143,927	149,698	495,279
Average Daily Rate	$149	$197	$174	$285	$261	$246	$272	$154	$127	$169	$146
Rooms Revenue ($000)	$75,458	$119,365	$193,323	$77,026	$82,103	$58,419	$217,547	$31,054	$17,414	$24,471	$73,40[illegible]

2003 PKF OUTLOOK AT JANUARY 1, 2003

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540
Available Room Nights	948,600	959,140	1,907,740	326,740	326,740	316,200	969,680	326,740	316,200	326,740	969,680
Occupancy (+ 2.0%)	55%	64%	60%	84%	90%	75%	83%	52%	46%	46%	52%
Occupied Room Nights	517,079	618,284	1,135,364	273,201	295,142	239,538	807,879	203,671	145,368	151,195	500,233
Average Daily Rate (+2.0%)	$144	$201	$171	$281	$261	$243	$277	$157	$126	$169	$151
Rooms Revenue ($000)	$74,346	$124,187	$201,133	$76,855	$64,503	$58,188	$224,117	$31,997	$18,053	$25,622	$75,82[illegible]

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540
Available Room Nights	948,600	959,140	1,907,740	326,740	326,740	316,200	969,680	326,740	316,200	326,740	969,680
Occupancy	58%	65%	61%	85%	98%	81%	85%	54%	45%	46%	52%
Occupied Room Nights	546,150	624,534	1,170,684	280,020	287,991	255,590	823,602	209,908	141,927	151,754	503,588
Average Daily Rate	$152	$207	$181	$301	$298	$281	$287	$159	$128	$172	$154
Rooms Revenue ($000)	$82,915	$129,025	$211,634	$84,294	$85,384	$69,693	$236,371	$33,303	$18,179	$26,062	$77,543

2003 ACTUAL RESULTS

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540	10,540
Available Room Nights	948,600	959,140	1,907,740	326,740	326,740	316,200	969,680	326,740	316,200	326,740	969,680
Occupancy	51%	53%	52%	73%	78%	66%	73%	0%	0%	0%	0%
Occupied Room Nights	481,035	508,186	989,221	240,023	258,131	208,566	706,720	0	0	0	0
Average Daily Rate	$160.95	$199	$180	$297	$281	$242	$275	$0	$0	$0	$0
Rooms Revenue ($000)	$77,425	$100,987	$178,413	$71,169	$71,945	$50,443	$193,556	$0	$0	$0	$0

BOOKING PATTERNS

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	338,477	438,225	776,702	235,950	229,462	164,451	629,863	193,294	105,970	118,537	416,801
% Of Rooms Sold	67%	72%	70%	87%	79%	69%	79%	96%	73%	79%	84%
2003 BOOKINGS	291,269	435,907	727,196	202,372	178,449	150,795	531,617	166,942	105,557	104,331	376,829
% Of Rooms Sold	61%	66%	74%	64%	70%	72%	75%				
2002/2003 VARIANCE	-14%	-1%	5%	-14%	-22%	8%	-16%	-14%	0%	-12%	-10%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	1.5%	0.9%	1.2%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Occupancy Points	-3.5%	-10.6%	-7.2%	-9.8%	-11.6%	-9.5%	-10.3%	-62.1%	-45.8%	-46.1%	-51.4%
Occupied Room Nights	-5.1%	-18.1%	-11.1%	-11.3%	-12.3%	-12.1%	-11.9%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	10.3%	0.9%	3.8%	4.1%	0.0%	-1.8%	1.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	4.7%	-15.4%	-7.7%	-7.6%	-12.4%	-13.7%	-13.0%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-3.8%	-11.5%	-7.7%	-10.2%	-11.9%	-9.8%	-10.5%	-62.3%	-46.0%	-46.3%	-51.6%
Occupied Room Nights	-7.0%	-17.6%	-12.9%	-12.1%	-13.2%	-12.9%	-12.8%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	8.2%	1.1%	1.8%	2.1%	-2.0%	-3.7%	-1.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	0.6%	-18.7%	-11.3%	-10.3%	-14.9%	-16.7%	-13.6%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Alberta Resorts	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-6.9%	-12.1%	-9.5%	-12.2%	-9.8%	-14.9%	-12.3%	-64.2%	-44.9%	-46.4%	-51.9%
Occupied Room Nights	-11.9%	-18.6%	-15.5%	-14.3%	-11.1%	-18.4%	-14.4%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	6.1%	-3.8%	-0.3%	-1.5%	5.3%	-7.3%	-4.3%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	-6.5%	-21.7%	-15.9%	-15.6%	-15.7%	-24.4%	-18.1%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	4%	(3,903)	Business Travel	1%	[illegible]
Increased Competition	11%	(10,508)	Independent Leisure Travel	24%	(23,385)
Geopolitical	26%	(25,019)	Group Leisure	63%	(63,882)
SARS	47%	(45,476)	Meeting/Convention Travel	7%	(6,377)
West Nile	1%	(883)	Government	4%	(3,917)
Mad Cow	1%	(1,241)	Other	0%	
Other	11%	(10,589)			
Total	100%	(97,779)	**Total**	100%	(97,779)
GUEST ORIGIN	%	ORN	**TRANSPORTATION**	%	ORN
Domestic Travel	17%	(16,517)	Air	48%	(46,918)
US Travel	29%	(28,763)	Automobile	30%	(29,386)
Overseas Travel	54%	(52,503)	Motorcoach	20%	(19,876)
			Other	2%	(1,742)
Total	100%	(97,779)	**Total**	100%	(97,779)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Geopolitical	19%	7,430	Geopolitical	29%	7,210
SARS	70%	27,981	SARS	48%	11,886
West Nile	0%		West Nile	0%	
Mad Cow	4%	1,521	Mad Cow	0%	0
Other	7%	2,968	Other	24%	5,861
Total	100%	39,900	**Total**	100%	24,953
% Of 2002 Total	7%	$ 10,861,701	**% Of 2002 Total**	3%	$ 3,689,080

	Q3 Potential	Q4 Potential
Geopolitical	[illegible]	[illegible]
SARS	$7,912,283	$1,757,054
West Nile	$0	$0
Mad Cow	[illegible]	$0
Other	[illegible]	[illegible]
	$10,861,701	$3,689,080

MONTH OF JULY	Variance to PKF Forecast ($000)	-$0.166
	Variance to 2002 Actuals ($000)	-$3.867
MONTH OF AUG	Variance to PKF Forecast ($000)	-$12.627
	Variance to 2002 Actuals ($000)	-$10.137
MONTH OF SEPT	Variance to PKF Forecast ($000)	-$9.729
	Variance to 2002 Actuals ($000)	-$7.974

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	3%	(3,063)	Business Travel	3%	(8,541)
Increased Competition	11%	(10,679)	Independent Leisure Travel	3%	(2,977)
Geopolitical	8%	(7,863)	Group Leisure	28%	(27,405)
SARS	10%	(27,324)	Meeting/Convention Travel	14%	(13,236)
West Nile	1%	(1,226)	Government	0%	
SC Fires	6%	(3,539)	Other	47%	(45,143)
Other	54%	(51,106)			
Total	100%	(95,160)	**Total**	100%	(95,160)
GUEST ORIGIN	%	ORN	**TRANSPORTATION**	%	ORN
Domestic Travel	1%	(1,127)	Air	54%	(51,798)
US Travel	20%	(19,127)	Automobile	20%	(19,732)
Overseas Travel	81%	(77,160)	Motorcoach	24%	(23,649)
			Other	2%	
Total	100%	(95,160)	**Total**	100%	(95,160)

Q4 CANCELLATIONS	%	ORN
Geopolitical	22%	[illegible]
SARS	0%	[illegible]
West Nile	0%	[illegible]
SC Fires	0%	[illegible]
Other	64%	[illegible]
Total	100%	3,864
% Of 2002 Total	1%	$ 572,826

	Q4 Potential
Geopolitical	[illegible]
SARS	[illegible]
West Nile	[illegible]
SC Fires	[illegible]
Other	[illegible]
	$572,826

8.5 OTHER ALBERTA MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

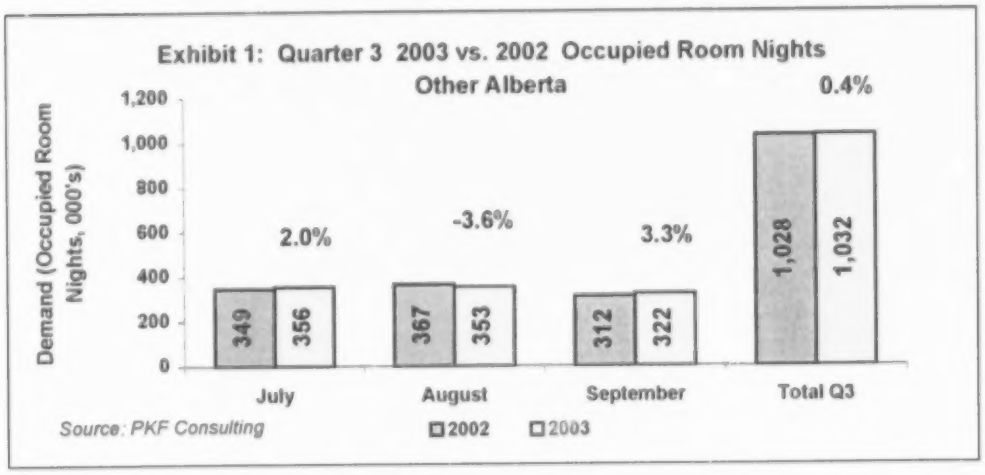
- Excluding the major markets of Calgary, Edmonton and Alberta Resorts, the balance of Alberta's accommodation market was 17,441 rooms in Quarter 3 2003 – a 1.7% increase (296 room addition) over the same period in 2002.

Demand and Rate

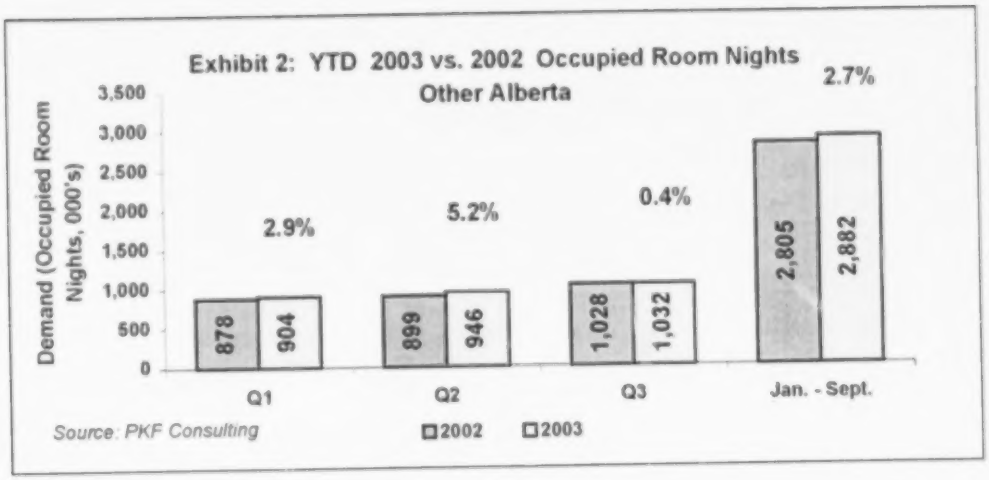
- During Quarter 3, the balance of Alberta's hotel market achieved a 64% occupancy at an average daily rate of $85. Occupancy levels were 1 percentage point below Quarter 3 of last year, and the average daily rate was up by approximately $2.

- Demand for Other Alberta hotels improved marginally in Quarter 3 2003, **up by approximately 4,000 room nights or 0.4%**, as compared to Quarter 3 2002.

- On a month-to-month basis, demand for room nights in Other Alberta increased by 2.0% in July, before falling behind by 3.6% in August and the rebounding by 3.3% in September.

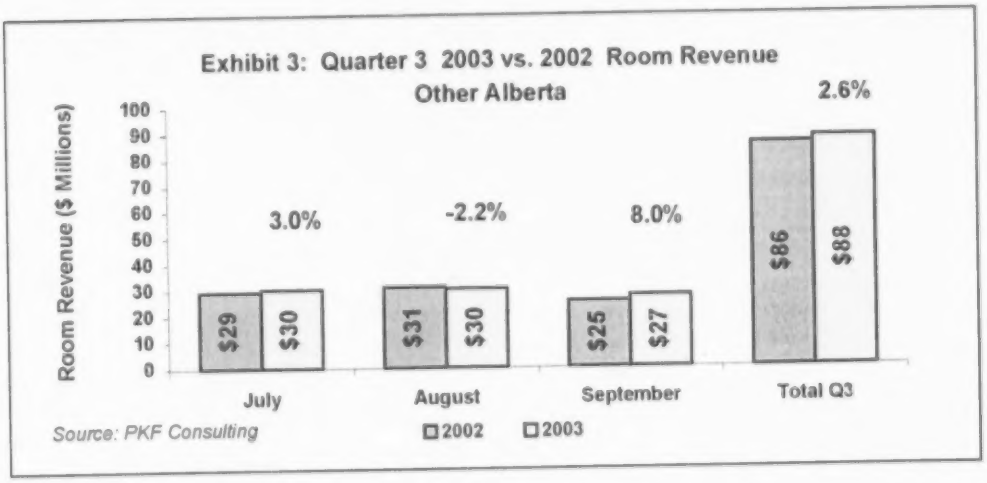


- Demand was up by 2.9% at the end of Quarter 1 and Quarter 2 results showed a further increase of 5.2%, while Quarter 3 was flat with last year, bringing year-to-date results for 2003 2.7% ahead of results achieved in the first nine months of 2002.



Room Revenue

- Other Alberta's room revenue increased by 3% in July, before loosing ground in August with a 2% decline and showing strong results in September – up 8%.
- Overall, Quarter 3 room revenue was up by $2.2 Million (2.6%) compared to the same period last year. Given the region's positive results, year-to-date room revenue is ahead by 4% -- $9 Million above last year's results.



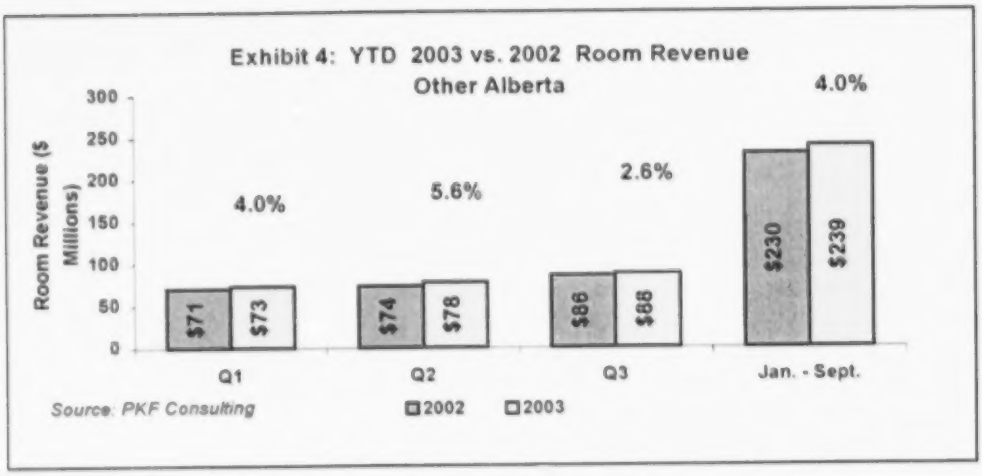


Exhibit 4: YTD 2003 vs. 2002 Room Revenue
Other Alberta
Room Revenue ($ Millions)
300
250
200
150
100
50
0
4.0%
5.6%
2.6%
4.0%
$71
$73
$74
$78
$86
$88
$230
$239
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

OTHER ALBERTA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other Alberta	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	16,959	16,935	16,897	17,132	17,132	17,172	17,145
Available Room Nights	1,517,310	1,541,058	3,058,368	531,092	531,092	515,160	1,577,344
Occupancy	58%	58%	58%	66%	69%	61%	65%
Occupied Room Nights	878,050	899,278	1,777,328	349,087	366,719	312,135	1,027,941
Average Daily Rate	$80	$82	$81	$84	$84	$81	$83
Rooms Revenue ($000)	$70,682	$73,599	$144,281	$29,449	$30,914	$25,255	$85,618

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other Alberta	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	17,307	11,647	14,461	17,441	17,441	17,441	17,441
Available Room Nights	1,557,630	1,059,883	2,617,513	540,671	540,671	523,230	1,604,572
Occupancy (2% Demand Growth)	57%	87%	69%	66%	69%	61%	65%
Occupied Room Nights	895,611	917,264	1,812,875	356,069	374,053	318,378	1,048,500
Average Daily Rate (2% Growth)	$82	$83	$83	$86	$86	$83	$86
Rooms Revenue ($000)	$73,538	$76,572	$150,110	$30,639	$32,163	$26,275	$89,077

2003 ACTUAL RESULTS

Other Alberta	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	17,307	17,397	17,352	17,441	17,441	17,441	17,441
Available Room Nights	1,557,630	1,563,111	3,140,741	540,671	540,671	523,230	1,604,572
Occupancy	58%	60%	59%	66%	65%	62%	64%
Occupied Room Nights	903,623	946,203	1,850,027	356,032	353,437	322,414	1,031,883
Average Daily Rate	$81	$82	$82	$85	$86	$85	$86
Rooms Revenue ($000)	$73,495	$77,734	$151,229	$30,323	$30,219	$27,283	$87,825

OTHER ALBERTA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other Alberta	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2.7%	2.7%	2.7%	1.8%	1.8%	1.6%	1.7%
Occupancy Points	0.2%	1.4%	0.8%	0.1%	-3.7%	1.0%	-0.9%
Occupied Room Nights	2.9%	5.2%	4.1%	2.0%	-3.6%	3.3%	0.4%
Average Daily Rate	1.0%	0.4%	0.7%	1.0%	1.4%	4.6%	2.2%
Rooms Revenue ($000)	4.0%	5.6%	4.8%	3.0%	-2.3%	8.0%	2.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other Alberta	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.5%	-26.8%	-10.4%	0.0%	-3.8%	0.8%	-1.0%
Occupied Room Nights	0.9%	3.2%	2.0%	0.0%	-5.5%	1.3%	-1.6%
Average Daily Rate	-1.0%	-1.6%	-1.3%	-1.0%	-0.6%	2.5%	0.2%
Rooms Revenue ($000)	-0.1%	1.5%	0.7%	-1.0%	-6.0%	3.8%	-1.4%
Variance to PKF Forecast ($000)	*-$43*	*$1,161*	*$1,119*	*-$315*	*-$1,948*	*$1,008*	*-$1,252*
Variance to 2002 Actuals ($000)	*$2,813*	*$4,135*	*$6,948*	*$874*	*-$696*	*$2,028*	*$2,207*

9.0 BRITISH COLUMBIA & YUKON PROVINCIAL MARKET/PERFORMANCE

9.1 PROVINCE OF BRITISH COLUMBIA

QUARTER 3 2003: RESULTS

Total Provincial Supply Inventory

- The Province of British Columbia's accommodation market averaged 69,330 rooms in Quarter 3 2003 – a 1.1% increase over the same period in 2002, due to the addition of 748 new rooms.

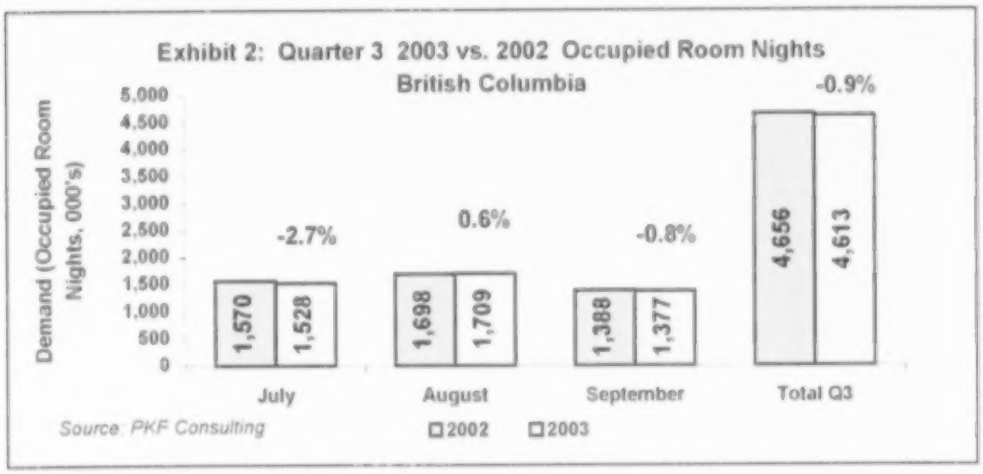
Provincial Demand

- During Quarter 3, British Columbia's hotel market achieved 72% occupancy at an average daily rate of $128. Occupancy levels were down by 2 percentage points, with the average daily rate down by $3 from Quarter 3 2002.
- Demand for British Columbia's hotels was **down approximately 43,000 room nights or 1% in Quarter 3 2003**, as compared to the same period in 2002.
- On a month-to-month basis, demand for room nights in British Columbia decreased by 3% in July, improved marginally by 0.6% in August and fell behind by less than 1% in September.
- While demand was up by 1.9% at the end of Quarter 1 and Quarter 2 results showed a decline of 3.7%, Quarter 3 results were only less than 1% behind last year, bringing **year-to-date results for 2003 1.1% below results achieved in the first nine months of 2002.**

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
	Occ.	ADR	Occ.	ADR	Demand	ADR
Greater Vancouver	77%	$133	78%	$138	0%	-4%
Greater Victoria	81%	$151	83%	$160	-4%	-6%
Whistler	53%	$137	55%	$146	-1%	-6%
Other British Columbia	67%	$107	69%	$105	-1%	2%
Total British Columbia	**72%**	**$128**	**74%**	**$131**	**-1%**	**-3%**

Source: PKF Consulting



9.0 BRITISH COLUMBIA & YUKON PROVINCIAL MARKET/PERFORMANCE

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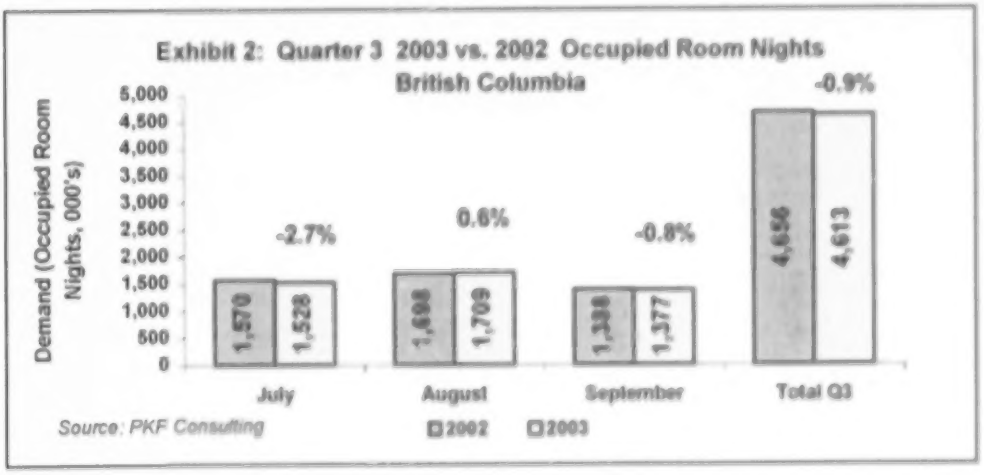
- On a month-to-month basis, demand for room nights in British Columbia decreased by 3% in July, improved marginally by 0.6% in August and fell behind by less than 1% in September.

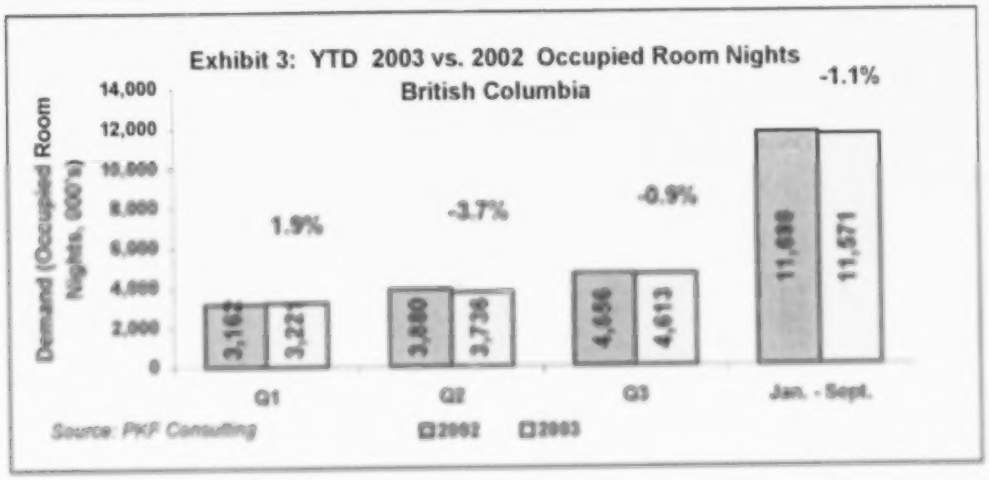
- While demand was up by 1.9% at the end of Quarter 1 and Quarter 2 results showed a decline of 3.7%, Quarter 3 results were only less than 1% behind last year, bringing **year-to-date results for 2003 1.1% below results achieved in the first nine months of 2002.**

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003 Occ.	Quarter 3 - 2003 ADR	Quarter 3 - 2002 Occ.	Quarter 3 - 2002 ADR	% Change Demand	% Change ADR
Greater Vancouver	77%	$133	78%	$138	0%	-4%
Greater Victoria	81%	$151	83%	$160	-4%	-6%
Whistler	93%	$137	95%	$146	-1%	-6%
Other British Columbia	67%	$107	69%	$105	-1%	2%
Total British Columbia	72%	$128	74%	$131	-1%	-3%

Source: PKF Consulting

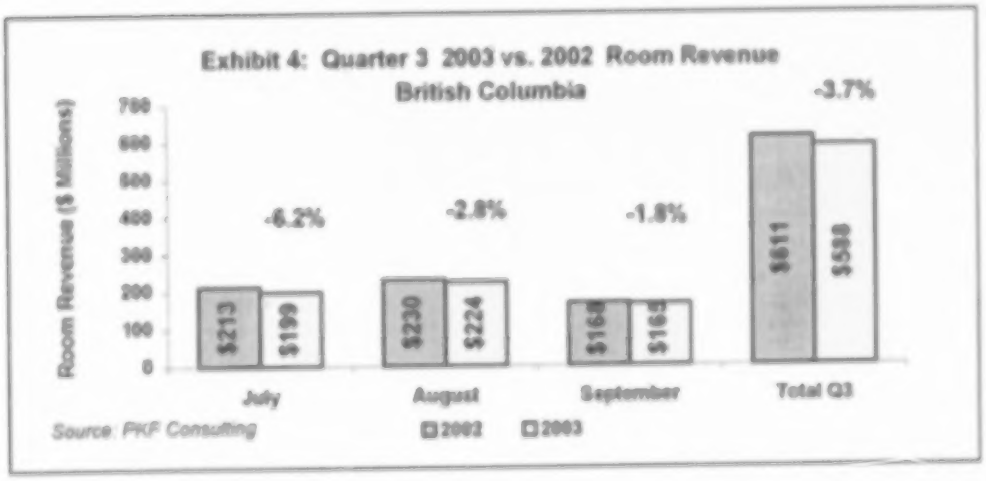




Room Revenue

- Following a decline of 11.5% in June, British Columbia's room revenue declined by a further 6.2% in July. This trend improved somewhat throughout the balance of the Quarter, with room revenues declining by 2.8% in August and 1.8% in September.

- Overall, Quarter 3 room revenue was down by $22.6 Million (-3.7%) compared to the same period last year. Quarter 3's losses were about 2/3rds the losses posted in Quarter 2. Year-to-date room revenue is down by 3.2% or $47 Million compared to the first nine months of 2002.



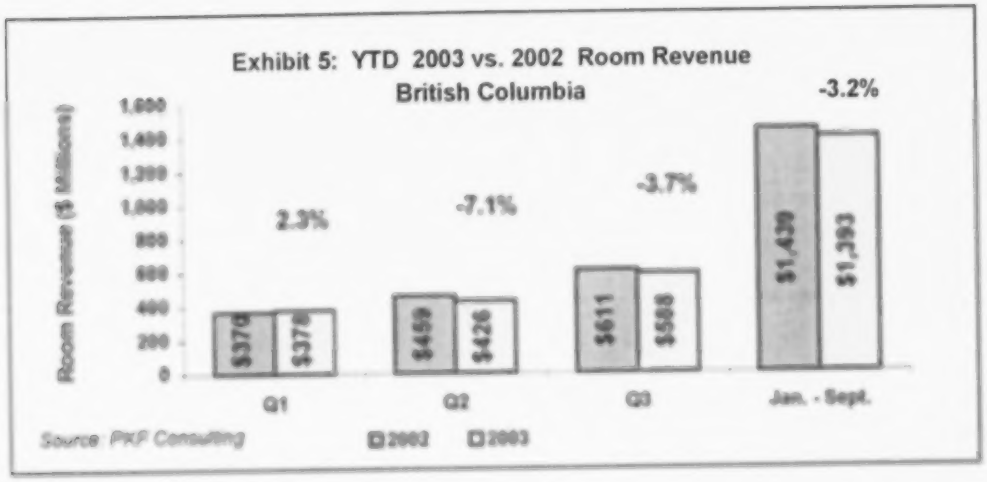


Exhibit 5: YTD 2003 vs. 2002 Room Revenue
British Columbia
Room Revenue ($ Millions)
1,600
1,400
1,200
1,000
800
600
400
200
0
2.3%
-7.1%
-3.7%
-3.2%
$379
$378
$459
$426
$611
$588
$1,439
$1,393
Q1
Q2
Q3
Jan. - Sept.
Source: PKF Consulting
2002
2003

BRITISH COLUMBIA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL BRITISH COLUMBIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	68,332	68,389	68,361	68,425	68,495	68,834	68,582
Available Room Nights	6,149,880	6,223,442	12,373,322	2,121,175	2,123,345	2,065,020	6,309,540
Occupancy	51%	62%	57%	74%	50%	67%	74%
Occupied Room Nights	3,161,653	3,880,339	7,041,992	1,570,308	1,698,464	1,387,693	4,656,463
Average Daily Rate	$117	$118	$118	$135	$136	$121	$131
Rooms Revenue ($000)	$369,739	$458,429	$828,369	$212,557	$230,448	$167,966	$610,971

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL BRITISH COLUMBIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	69,037	69,106	69,071	69,299	69,345	69,345	69,330
Available Room Nights	6,213,310	6,288,604	12,501,914	2,148,269	2,149,695	2,080,350	6,378,314
Occupancy (2% Demand Growth)	52%	63%	57%	75%	81%	68%	74%
Occupied Room Nights	3,224,886	3,957,945	7,182,832	1,601,712	1,732,433	1,415,447	4,749,592
Average Daily Rate (2% Growth)	$119	$121	$120	$138	$138	$123	$134
Rooms Revenue ($000)	$384,677	$477,157	$861,834	$221,144	$239,758	$174,752	$635,654

2003 ACTUAL RESULTS

TOTAL BRITISH COLUMBIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	69,037	69,106	69,071	69,299	69,345	69,345	69,330
Available Room Nights	6,213,310	6,288,604	12,501,914	2,148,269	2,149,695	2,080,350	6,378,314
Occupancy	52%	59%	56%	71%	79%	66%	72%
Occupied Room Nights	3,221,325	3,736,163	6,957,487	1,527,849	1,708,578	1,376,984	4,613,410
Average Daily Rate	$117	$114	$116	$131	$131	$120	$128
Rooms Revenue ($000)	$378,409	$425,999	$804,408	$199,400	$224,046	$164,894	$588,338

BRITISH COLUMBIA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL BRITISH COLUMBIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.0%	1.0%	1.0%	1.3%	1.2%	0.7%	1.1%
Occupancy Points	0.4%	-2.9%	-1.3%	-2.9%	-0.5%	-1.0%	-1.5%
Occupied Room Nights	1.9%	-3.7%	-1.2%	-2.7%	0.6%	-0.8%	-0.9%
Average Daily Rate	0.4%	-3.5%	-1.7%	-3.6%	-3.4%	-1.1%	-2.8%
Rooms Revenue ($000)	2.3%	-7.1%	-2.9%	-6.2%	-2.8%	-1.8%	-3.7%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL BRITISH COLUMBIA	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-0.1%	-3.5%	-1.8%	-3.4%	-1.1%	-1.8%	-2.1%
Occupied Room Nights	-0.1%	-5.6%	-3.1%	-4.6%	-1.4%	-2.7%	-2.9%
Average Daily Rate	-1.5%	-5.4%	-3.6%	-5.5%	-5.2%	-3.0%	-4.7%
Rooms Revenue ($000)	-1.6%	-10.7%	-6.7%	-9.8%	-6.6%	-5.6%	-7.4%
Variance to PKF Forecast ($000)	-$6,287	-$51,159	-$57,425	-$21,744	-$15,712	-$9,858	-$47,315
Variance to 2002 Actuals ($000)	$6,670	-$32,630	-$23,960	-$13,157	-$6,402	-$3,073	-$22,631

9.2 GREATER VANCOUVER AREA

QUARTER 3 2003: RESULTS

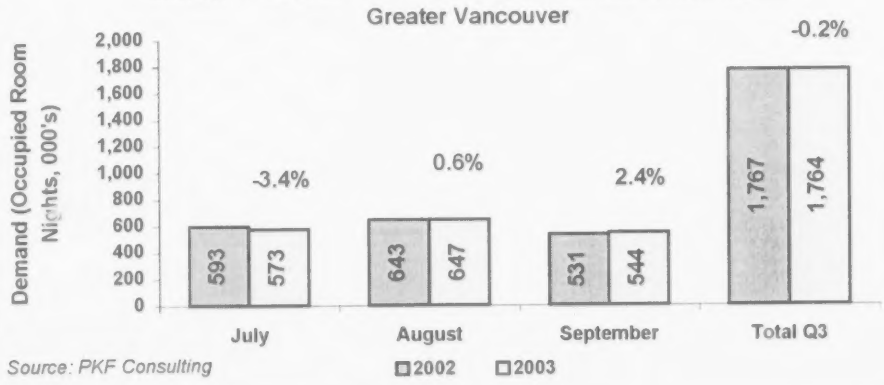
Hotel Supply Inventory

- In Quarter 3 2003, the overall inventory of hotel rooms in the Greater Vancouver market was 24,818 rooms – up 1.4% compared to Quarter 3 2002.

Demand

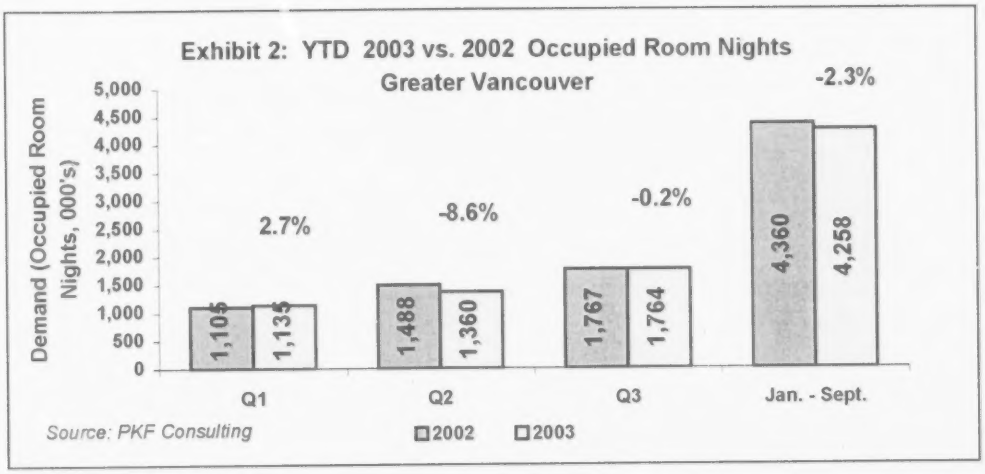
- During Quarter 3, the Vancouver hotel market achieved a 77% occupancy at an average daily rate of $133.
- Demand for Vancouver hotels **decreased slightly by 3,520 room nights**, as compared to the third quarter of 2002.
- On a month-to-month basis, the industry improved as the Quarter went on, in July the demand was down 3.4% compared to July 2002 but demand grew in both August and September by 0.6% and 2.4% respectively.

Exhibit 1: Quarter 3 2003 vs. 2002 Occupied Room Nights
Greater Vancouver



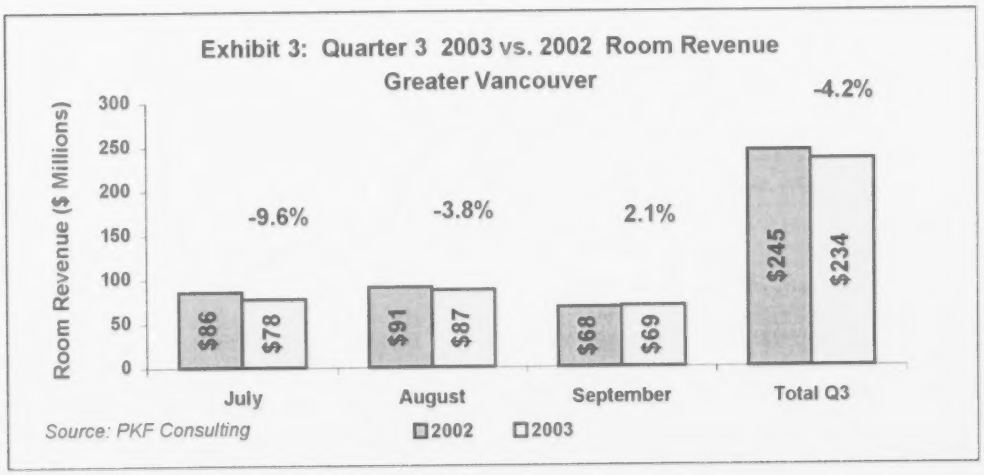
Source: PKF Consulting

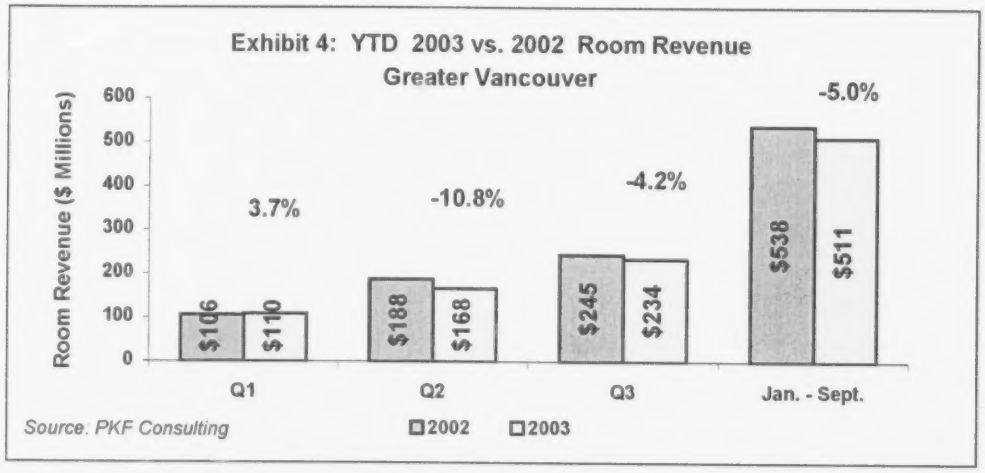
- The year was off to a good start with Quarter 1 demand levels up by 2.7% in Vancouver, but the gains made in the first three months were offset by a decline of 8.6% in demand in Quarter 2. Quarter 3 saw the industry recover slightly with a small loss in demand at -0.2%.



Room Revenue

- Vancouver suffered a loss of $8.3 Million in room revenue during the month of July, followed by a loss of $3.4 Million in August, but September saw an increase in room revenue of 2.4% or $1.4 Million, in comparison to last year.
- Year-to-date room revenue is below 2002 results by $26.6 Million (-5.0%).





Budgets and PKF Outlook

- According to our PKF Outlook for the Vancouver hotel market, prepared at the beginning of the year (assuming a contained war in Iraq and no impacts associated with SARS), the Vancouver hotel market was forecast to achieve a 78% occupancy at an average daily rate of $140 in Quarter 3 2003.

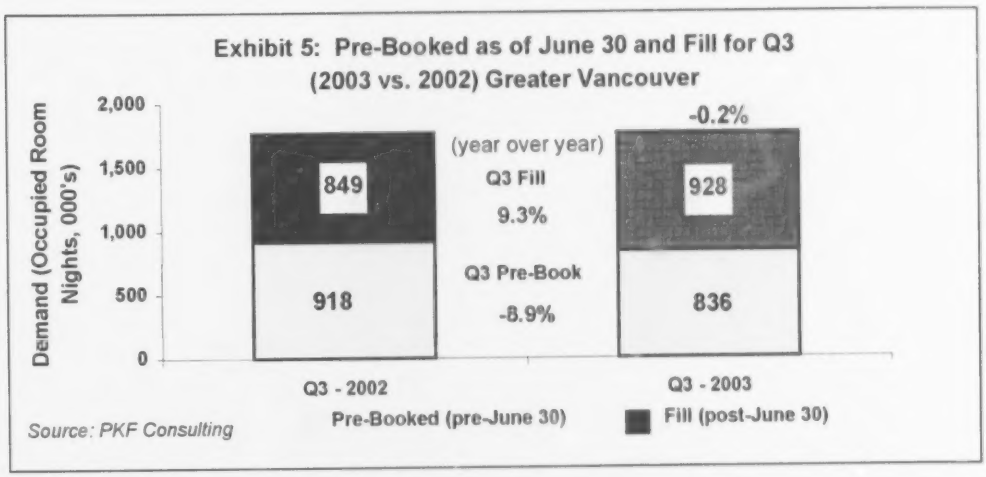
- In preparing their operating budgets at the beginning of the year, Greater Vancouver hotels expected to achieve similar results to the PKF Outlook – 78% occupancy at a $139 ADR – by the end of the 3rd Quarter.

- Based on actual results, the industry missed their budgets by 1 percentage point in occupancy, and $6 in rate in Quarter 3 2003.

Pre-Booked Business and Fill Rate

- As of June 30th, Vancouver hoteliers had pre-booked almost 836,000 room nights for the upcoming months of July, August and September – 8.9% less room nights than were pre-booked over the same time frame last year.

- The fill rate for the industry was 9.3% for this quarter with 79,000 more room nights sold compared to last year during this period.



Market Factors, Segmentation, Guest Origin and Primary Mode of Transportation

- The Greater Vancouver Area experienced a growth in demand during Quarter 3 with the addition of 7,400 occupied room nights. Regardless of this, Vancouver hotels experienced a revenue decline of over $10 Million during Quarter 3 due to rate discounting. Downtown Vancouver hoteliers reported that SARS was the factor responsible for the most of this decline at 31%, economic conditions were a close second at 28% and geopolitical reasons accounted for 19%. Hotels in the Vancouver Airport market attributed most of there Quarter 3 losses to other reasons (46%) and to economic conditions (36%).

- Downtown Vancouver hoteliers reported that the majority of lost revenue was due to fewer travellers from the United States and Overseas whereas Vancouver Airport hoteliers report 60% of lost business was due to a decline in domestic travel.

- Hotels in the Vancouver Airport market attributed most of their demand erosion to a decline in business travellers (46%), while Downtown Vancouver hotels pointed to a loss of independent leisure travel (32%), group leisure (22%) and meetings/convention travel (28%).

- Hotels in both Vancouver markets believe travellers arriving via airplane were responsible for most of the decline.

Results by Vancouver's SUB-MARKETS

- From a sub-market perspective, the Vancouver sub-markets experienced some demand growth in 1 or 2 of the Quarter's months and overall the Vancouver Downtown market experienced a growth in demand of 1.2% for the Quarter. The Vancouver Airport sub-market saw a decrease of 1.5% in demand when compared with 2002.

- Of the GVA's two sub markets, Quarter 3 2003 booking patterns were below the levels achieved during the same time period in 2002. The Vancouver Airport market was down by 20%, while the Downtown market was down 2%.

- Downtown Vancouver hotels (representing about 54% of the total GVA hotel inventory) reported an estimated 240 room nights cancelled in Quarter 4, equating to a potential loss of $29,000 in room revenue with all of the cancellations a result of SARS.

- The Vancouver Airport market, with an inventory of 4,208 rooms, reported over 16,000 room nights cancelled in Quarter 4 2003 – equating to an estimated loss of over $1.3 Million in Quarter 4, of which $278,000 was attributable to SARS and $534,000 due to Geopolitical reasons.

QUARTER 4 2003: BOOKING PATTERNS & CANCELLATIONS

Booking Patterns

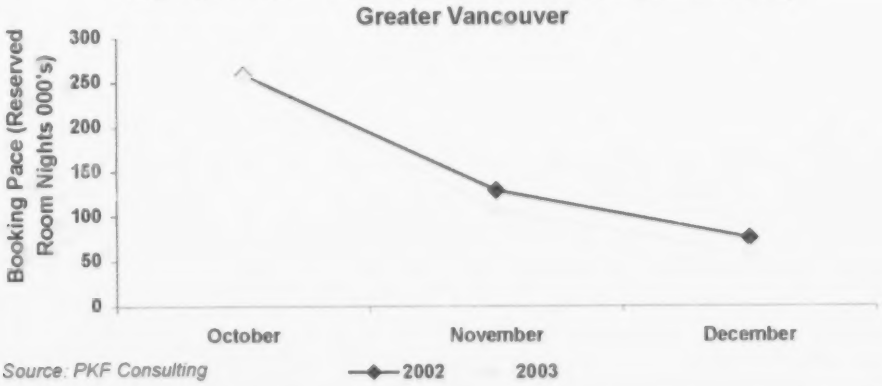
- As of June 30, 2002, 918,000 room nights or **52%** of July, August and September's 2002's business was pre-booked. In comparison, as of June 30, 2003, **836,000 room nights** of business were pre-booked for Quarter 3 – which means that close to **82,000 fewer room nights were pre-booked in Quarter 3 2003** as compared to the same period in 2002.

- This year's **Quarter 4 booking pace is down by 9%** in comparison to last year, exactly in-line with the booking pace heading into Quarter 1, indicating that most of the 4th Quarter lost pace could be due to consumer booking trends and not the effects of SARS.

- From a month-by-month perspective October, November and December are all below 2002 pre-booking levels with October 1% below, November 17% and December 23% down from the same months in 2002.

- Looking ahead to the winter months, and the continued decline of pre-bookings, Quarter 4 demand is expected to be below that of Quarter 4, 2002.

Exhibit 6: Room Booking Pace (Oct. to Dec. 2003 vs. 2002)
Greater Vancouver



Source: PKF Consulting

Q4 - Room Cancellations

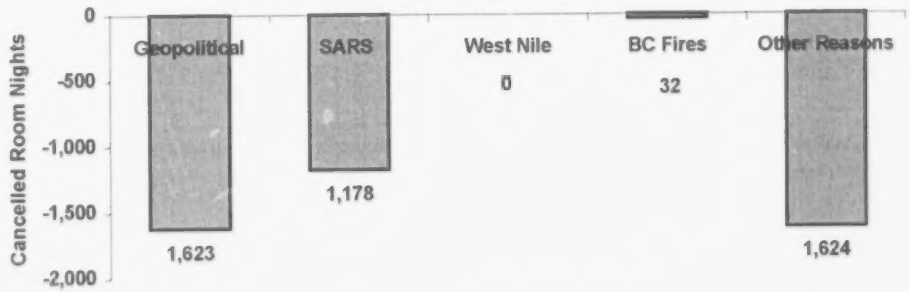
- The Vancouver hotel industry reported over 4,400 room cancellations during Quarter 4 2003. This represents 0.4% of last year's overall Quarter 4 results.
- According to hotel operators, the vast majority of room cancellations in the 4th Quarter are attributable to Geopolitical reasons (36%), Other reasons (36%) and SARS (26%).
- In Quarter 4 2003, the **potential room revenue** loss due to room cancellations in the Vancouver market is estimated at **$0.5 Million**. At this stage in our analysis, we have categorized the losses due to room cancellations as **"potential revenue losses"**, as we cannot measure the actual loss until performance results for October, November and December are collected.

Exhibit 7: ROOM CANCELLATIONS

GVA Markets	As of June 30th	As of Sept 30th
Vancouver Downtown	236	236
Vancouver Airport	4,058	4,220
Total GVA	**4,294**	**4,456**
Cancelled Room Nights	1,048	1,178
Due to SARS	***24%***	***26%***
Cancelled Room Nights	1,623	1,623
Due to Geopolitical Reasons	***38%***	***36%***
Cancelled Room Nights	0	32
Due to BC Fires	***0%***	***1%***
Cancelled Room Nights	1,624	1,624
Due to Other Reasons	***38%***	***36%***

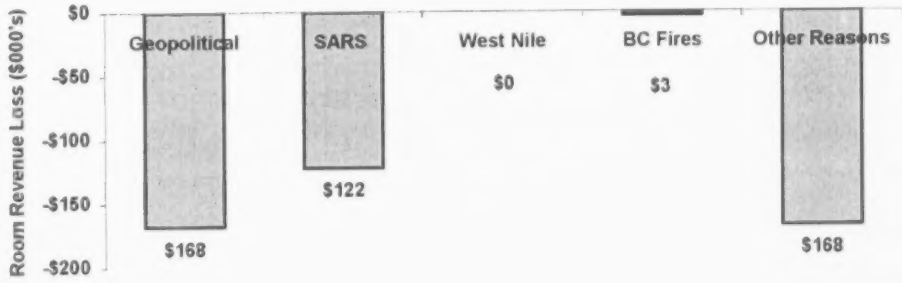
Source: PKF Consulting

Exhibit 8: Room Night Cancellations (Oct. to Dec. 2003) Greater Vancouver



Source: PKF Consulting

Exhibit 9: Potential Room Revenue Loss due to Cancellations (Oct. to Dec. 2003) Greater Vancouver



Source: PKF Consulting

VANCOUVER - OVERALL

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	24,343	24,369	24,359	24,353	24,954	24,569	24,671	24,568	24,472	24,472	24,508
Available Room Nights	2,197,872	2,219,799	4,417,671	758,159	758,229	737,340	2,251,728	761,608	736,160	738,632	2,254,400
Occupancy	50%	67%	59%	70%	85%	72%	76%	52%	53%	44%	53%
Occupied Room Nights	1,104,891	1,487,987	2,592,877	533,449	642,741	530,979	1,707,169	401,234	391,234	331,492	1,199,960
Average Daily Rate	$95	$120	$110	$145	$141	$126	$136	$112	$112	$98	$116
Rooms Revenue ($000)	$105,818	$167,757	$273,575	$55,377	$90,567	$67,757	$208,677	$44,999	$39,453	$31,961	$121,253

2003 PKF OUTLOOK AT JANUARY 1, 2003

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	24,604	24,668	24,635	24,618	24,618	24,618	24,618	24,618	24,632	24,632	24,734
Available Room Nights	2,214,720	2,242,968	4,457,688	759,358	759,358	744,540	2,263,256	759,358	740,760	765,452	2,275,570
Occupancy	50%	66%	58%	75%	64%	72%	70%	52%	53%	44%	53%
Occupied Room Nights	1,115,739	1,470,197	2,585,935	569,503	569,169	535,258	1,704,341	473,361	391,285	334,797	1,201,634
Average Daily Rate	$97	$128	$113	$140	$143	$129	$141	$113	$110	$98	$120
Rooms Revenue ($000)	$107,818	$188,540	$296,358	$37,541	$81,738	$69,117	$203,697	$53,779	$39,773	$32,296	$125,787

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	24,604	24,668	24,635	24,618	24,618	24,618	24,618	24,618	24,632	24,632	24,734
Available Room Nights	2,214,720	2,242,968	4,457,688	759,358	759,358	744,540	2,263,256	759,358	740,760	765,452	2,275,570
Occupancy	52%	66%	59%	75%	64%	72%	70%	52%	53%	44%	53%
Occupied Room Nights	1,159,292	1,524,395	2,682,658	567,115	565,658	538,542	1,732,315	473,186	389,389	333,598	1,196,300
Average Daily Rate	$91	$128	$110	$140	$141	$124	$139	$112	$107	$95	$116
Rooms Revenue ($000)	$105,473	$194,639	$300,302	$87,037	$80,417	$66,872	$247,327	$53,079	$39,403	$31,843	$124,325

2003 ACTUAL RESULTS

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	24,604	24,668	24,635	24,618	24,618	24,618	24,618	24,618	24,632	24,632	24,734
Available Room Nights	2,214,720	2,242,968	4,457,688	759,358	759,358	744,540	2,263,256	759,358	740,760	765,452	2,275,570
Occupancy	51.2%	61%	56%	75%	64%	73%	77%	0%	0%	0%	0%
Occupied Room Nights	1,134,797	1,359,559	2,494,356	573,275	646,810	543,564	1,763,649	0	0	0	0
Average Daily Rate	$95	$120	$111	$135	$135	$127	$133	$0	$0	$0	$0
Rooms Revenue ($000)	$107,832	$163,509	$271,139	$77,513	$87,468	$69,203	$234,291	$0	$0	$0	$0

BOOKING PATTERNS

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	449,470	853,523	1,302,993	374,022	322,649	221,313	917,983	256,414	128,498	75,104	462,016
% Of Rooms Sold	41%	57%	50%	53%	50%	42%	52%	33%	33%	23%	38%
2003 BOOKINGS	435,267	923,212	1,358,479	330,983	297,458	217,411	845,852	256,569	107,139	58,080	421,808
% Of Rooms Sold	35%	56%	52%	58%	44%	40%	47%				
2002/2003 VARIANCE	-10%	1%	2%	12%	11%	2%	9%	1%	11%	23%	9%

2003 INDUSTRY IMPACTS

1

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.4%	1.0%	0.0%	0.0%	0.0%
Occupancy Points	0.5%	-6.4%	-2.6%	-4.0%	-0.7%	1.0%	1.3%	-61.9%	-52.1%	-43.1%	-52.6%
Occupied Room Nights	2.7%	-8.5%	-3.8%	-3.4%	0.6%	2.4%	0.2%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	1.0%	-2.4%	-1.8%	-6.5%	-4.4%	-0.2%	-4.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	3.7%	-12.9%	-5.6%	-9.6%	-3.8%	2.1%	-3.2%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.6%	-4.5%	-2.1%	-3.4%	-0.3%	1.0%	0.9%	-61.5%	-52.5%	-43.1%	-52.6%
Occupied Room Nights	1.7%	-7.5%	-3.5%	-4.4%	-0.4%	1.4%	1.2%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.0%	-4.0%	-3.1%	-7.4%	-5.4%	-1.2%	-5.2%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	1.7%	-11.2%	-6.5%	-11.4%	-5.7%	0.1%	-6.1%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

VANCOUVER - OVERALL	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	0.1%	-7.1%	-3.3%	-3.2%	0.1%	0.7%	0.8%	-61.5%	-52.5%	-43.1%	-52.6%
Occupied Room Nights	1.5%	-10.9%	-5.1%	-4.1%	0.1%	0.9%	-1.0%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.4%	-3.6%	-3.2%	-7.0%	-4.0%	-1.2%	-4.3%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	1.1%	-14.7%	-9.1%	-10.3%	-3.9%	-0.2%	-5.3%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	15%	(12,805)	Business Travel	10%	(8,349)
Increased Competition	8%	(5,415)	Independent Leisure Travel	20%	(17,267)
Geopolitical	8%	(7,058)	Group Leisure	37%	(23,954)
SARS	49%	(40,250)	Meetings/Convention Travel	30%	(29,727)
Hold Nile	11%	(9,022)	Government	2%	(1,343)
Bill Cow	9%	(7,00[illegible])	Other	11%	(10,[illegible])
Other	14%	(12,142)			
Total	100%	(97,719)	Total	100%	(97,719)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	36%	(31,[illegible])	Air	33%	(28,[illegible])
US Travel	34%	(29,[illegible])	Automobile	44%	(25,[illegible])
Overseas Travel	30%	(25,[illegible])	Motorcoach	6%	(8,[illegible])
			Other	15%	(20[illegible])
Total	100%	(97,719)	Total	100%	(97,719)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Geopolitical	8%	7,163	Geopolitical	36%	1,523
SARS	72%	61,[illegible]	SARS	24%	1,[illegible]
Hold Nile	0%		Hold Nile	0%	
Bill Cow	2%	1,[illegible]	Bill Cow	0%	[illegible]
Other	18%	15,23[illegible]	Other	20%	1,[illegible]
Total	100%	86,176	Total	100%	4,294
% Of 2002 Total	5%	$ 11,926,727	% Of 2002 Total	0%	$ 444,953

	Q3 Potential	Q4 Potential
Geopolitical	$[illegible]	$169,[illegible]
SARS	$9,595,42[illegible]	$109,51[illegible]
Hold Nile	$[illegible]	$[illegible]
Bill Cow	$257,94[illegible]	$42,04[illegible]
Other	$2,107,[illegible]	$128,12[illegible]
	$11,[illegible],727	$444,[illegible]

MONTH OF JULY	*Variance to PKF Forecast ($000)*	*-$10,[illegible]*
	Variance to 2002 Actuals ($000)	*-$8,[illegible]*
MONTH OF AUG	*Variance to PKF Forecast ($000)*	*-$3,[illegible]*
	Variance to 2002 Actuals ($000)	*-$3,[illegible]*
MONTH OF SEPT	*Variance to PKF Forecast ($000)*	*$[illegible]*
	Variance to 2002 Actuals ($000)	*$1,[illegible]*

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions			Business Travel		
Increased Competition			Independent Leisure Travel		
Geopolitical			Group Leisure		
SARS			Meetings/Convention Travel		
Hold Nile			Government		
Bill Cow			Other		
Other					
Total	100%	7,449	Total	100%	7,449

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel			Air		
US Travel			Automobile		
Overseas Travel			Motorcoach		
			Other		
Total	100%	7,449	Total	-0%	7,449

Q4 CANCELLATIONS	%	ORN
Geopolitical	7%	
SARS	67%	[illegible]
Hold Nile	0%	
Bill Cow	20%	[illegible]
Other	0%	[illegible]
Total	100%	162
% Of 2002 Total	0%	$ 16,917

	Q3 Potential	Q4 Potential
Geopolitical	$[illegible]	$[illegible]
SARS	$[illegible]	$13,45[illegible]
Hold Nile	$[illegible]	$[illegible]
Bill Cow	$[illegible]	$3,[illegible]
Other	$[illegible]	$[illegible]
	$[illegible]	$16,917

Vancouver - DOWNTOWN

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	13,089	13,089	13,089	13,089	13,159	13,268	13,171	13,268	13,268	13,268	13,268
Available Room Nights	1,179,010	1,191,099	2,369,109	405,759	407,929	398,940	1,211,728	411,308	398,940	411,308	1,220,556
Occupancy	49%	70%	59%	81%	88%	75%	81%	54%	53%	42%	53%
Occupied Room Nights	574,044	835,559	1,409,603	330,653	359,059	297,017	986,730	282,415	212,553	173,572	648,540
Average Daily Rate	$109	$154	$135	$179	$171	$154	$168	$135	$117	$111	$123
Rooms Revenue ($000)	$62,106	$128,678	$190,784	$59,081	$61,449	$45,649	$166,179	$35,529	$24,822	$19,273	$79,622

2003 PKF OUTLOOK AT JANUARY 1, 2003

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	13,268	13,268	13,268	13,352	13,352	13,352	13,352	13,352	13,352	13,352	13,352
Available Room Nights	1,194,120	1,207,388	2,401,508	413,912	413,912	400,560	1,228,384	413,912	400,560	413,912	1,228,384
Occupancy	49%	70%	59%	81%	88%	75%	81%	54%	54%	42%	53%
Occupied Room Nights	579,725	843,914	1,423,639	333,960	362,650	299,988	996,597	285,039	214,679	175,338	655,025
Average Daily Rate	$109	$156	$137	$180	$173	$155	$170	$137	$118	$112	$124
Rooms Revenue ($000)	$63,354	$131,285	$194,639	$60,268	$62,681	$46,561	$169,510	$39,245	$25,321	$19,656	$81,222

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	13,268	13,268	13,268	13,352	13,352	13,352	13,352	13,352	13,352	13,352	13,352
Available Room Nights	1,194,120	1,207,388	2,401,508	413,912	413,912	400,560	1,228,384	413,912	400,560	413,912	1,228,384
Occupancy	49%	69%	59%	80%	87%	74%	80%	53%	53%	42%	53%
Occupied Room Nights	574,044	835,559	1,409,603	330,653	359,059	297,017	986,730	282,415	212,553	173,572	648,540
Average Daily Rate	$109	$156	$135	$179	$171	$154	$168	$135	$117	$111	$123
Rooms Revenue ($000)	$62,106	$128,678	$190,784	$59,081	$61,449	$45,649	$166,179	$35,529	$24,822	$19,273	$79,622

2003 ACTUAL RESULTS

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	13,268	13,268	13,268	13,352	13,352	13,352	13,352	13,352	13,352	13,352	13,352
Available Room Nights	1,194,120	1,207,388	2,401,508	413,912	413,912	400,560	1,228,384	413,912	400,560	413,912	1,228,384
Occupancy	50.8%	66%	59%	77%	87%	79%	81%	0%	0%	0%	0%
Occupied Room Nights	606,188	799,944	1,406,132	320,451	362,090	316,322	998,863	0	0	0	0
Average Daily Rate	$109	$144	$129	$164	$163	$152	$160	$0	$0	$0	$0
Rooms Revenue ($000)	$65,688	$115,494	$181,177	$52,503	$59,068	$48,211	$159,781	$0	$0	$0	$0

BOOKING PATTERNS

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	207,343	528,840	736,193	243,357	193,904	145,642	582,903	209,299	104,280	53,724	367,303
% Of Rooms Sold	38%	53%	52%	74%	54%	49%	59%	30%	49%	31%	57%
2003 BOOKINGS	250,179	496,107	746,286	218,952	195,050	166,243	570,245	208,048	89,102	44,638	341,987
% Of Rooms Sold	41%	52%	53%	66%	51%	53%	57%				
2002/2003 VARIANCE	21%	-6%	1%	-10%	-5%	16%	-2%	-1%	-15%	-17%	-7%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	1.0%	1.4%	1.4%	2.0%	1.5%	0.6%	1.4%	0.6%	0.6%	0.6%	0.6%
Occupancy Points	2.0%	-3.9%	-0.9%	-4.1%	-0.5%	4.4%	-0.1%	-53.8%	-53.4%	-42.2%	-53.1%
Occupied Room Nights	5.6%	-4.3%	-0.2%	-3.1%	0.8%	6.5%	1.2%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.2%	-6.3%	-4.6%	-6.3%	-4.7%	-0.8%	-5.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	5.8%	-10.2%	-5.0%	-11.1%	-3.9%	5.6%	-1.8%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	2.2%	-3.6%	-0.7%	-3.3%	-0.1%	4.1%	0.2%	-54.0%	-53.6%	-42.4%	-53.3%
Occupied Room Nights	4.6%	-5.2%	-1.2%	-4.0%	-0.2%	5.4%	0.2%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.8%	-7.2%	-5.7%	-9.2%	-5.6%	-1.8%	-6.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	3.7%	-12.0%	-6.9%	-12.9%	-5.6%	3.5%	-5.7%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Vancouver - DOWNTOWN	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	2.7%	-2.9%	-0.1%	-2.0%	0.7%	4.8%	1.0%	-53.4%	-53.1%	-41.9%	-52.8%
Occupied Room Nights	5.6%	-4.3%	-0.2%	-3.1%	0.8%	6.5%	1.2%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	0.2%	-6.3%	-4.6%	-6.3%	-4.7%	-0.8%	-5.0%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	5.8%	-10.2%	-5.0%	-11.1%	-3.9%	5.6%	-1.8%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	15%	(5,275)	Business Travel	0%	(2,272)
Increased Competition	0%	(2,200)	Independent Leisure Travel	14%	(4,000)
Geopolitical	17%	(4,797)	Group Leisure	28%	(3,112)
SARS	45%	(12,452)	Meetings/Convention Travel	45%	(16,000)
Weak Nos	2%	(9,9)	Government	2%	(7,157)
Wall Cow	0%		Other	0%	(7,000)
Other	19%	(5,404)			
Total	100%	(35,615)	Total	100%	(35,615)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	20%	(7,030)	Air	50%	(20,000)
US Travel	45%	(15,977)	Automobile	35%	(12,422)
Overseas Travel	30%	(12,717)	Motorcoach	4%	(1,000)
			Other	2%	(200)
Total	100%	(35,615)	Total	100%	(35,615)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
Geopolitical	4%	[illegible]	Geopolitical	2%	
SARS	60%	[illegible]	SARS	100%	[illegible]
Weak Nos	2%		Weak Nos	2%	
Wall Cow	2%		Wall Cow	2%	
Other	2%	[illegible]	Other	2%	
Total	100%	17,925	Total	100%	235
% Of 2002 Total	2%	$ 3,018,960	% Of 2002 Total	0%	$ 28,960

	Q3 Potential	Q4 Potential
Geopolitical	[illegible]	[illegible]
SARS	[illegible]	[illegible]
Weak Nos	[illegible]	[illegible]
Wall Cow	[illegible]	[illegible]
Other	[illegible]	[illegible]
	[illegible]	[illegible]

MONTH OF JULY	Variance to PRP Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF AUG	Variance to PRP Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF SEPT	Variance to PRP Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
Economic Conditions	36%	3,255	Business Travel	11%	1,100
Increased Competition	0%	955	Independent Leisure Travel	10%	1,000
Geopolitical	10%	2,125	Group Leisure	23%	2,712
SARS	21%	2,754	Meetings/Convention Travel	28%	3,000
Weak Nos	3%	54	Government	2%	200
9C Fees	4%	400	Other	5%	562
Other	10%	1,217			
Total	100%	12,134	Total	100%	12,134

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
Domestic Travel	10%	1,363	Air	57%	6,971
US Travel	47%	5,721	Automobile	28%	3,375
Overseas Travel	38%	4,760	Motorcoach	12%	1,478
			Other	2%	200
Total	100%	12,134	Total	100%	12,134

Q4 CANCELLATIONS	%	ORN
Geopolitical	2%	
SARS	2%	
Weak Nos	2%	
9C Fees	2%	
Other	100%	
Total	100%	[illegible]
% Of 2002 Total	0%	$ [illegible]

	Q4 Potential
Geopolitical	[illegible]
SARS	[illegible]
Weak Nos	[illegible]
9C Fees	[illegible]
Other	[illegible]
	[illegible]

Vancouver - Airport

2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208
Available Room Nights	378,720	382,928	761,648	130,448	130,448	126,240	387,136	130,448	126,240	130,448	387,136
Occupancy	56%	61%	57%	81%	84%	74%	[illegible]	51%	53%	49%	51%
Occupied Room Nights	211,734	233,943	445,677	104,503	109,120	93,115	306,738	64,530	67,412	63,885	215,827
Average Daily Rate	$94	$95	$95	$102	$102	$97	$100	$92	$94	$97	$97
Rooms Revenue ($000)	$19,798	$22,267	$41,965	$10,658	$11,382	$9,052	$30,832	$5,932	$6,341	$6,201	$18,474

2003 PKF OUTLOOK AT JANUARY 1, 2003

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208
Available Room Nights	378,720	382,928	761,648	130,448	130,448	126,240	387,136	130,448	126,240	130,448	387,136
Occupancy	56%	57%	57%	81%	84%	74%	80%	53%	54%	49%	55%
Occupied Room Nights	213,851	218,452	432,303	106,547	110,211	94,548	309,304	62,345	68,085	63,102	213,541
Average Daily Rate	$94	$97	$95	$102	$102	$98	$101	$94	$93	$95	$95
Rooms Revenue ($000)	$19,882	$21,400	$41,281	$10,779	$11,282	$9,267	$31,128	$5,918	$6,353	$5,992	$18,264

2003 INDUSTRY BUDGETS AT JANUARY 1, 2003

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208
Available Room Nights	378,720	382,928	761,648	130,448	130,448	126,240	387,136	130,448	126,240	130,448	387,136
Occupancy	56%	57%	57%	81%	87%	74%	81%	55%	54%	50%	56%
Occupied Room Nights	213,582	218,577	432,159	105,677	113,527	93,414	312,618	64,410	68,800	64,807	218,017
Average Daily Rate	$95	$98	$96	$102	$103	$102	$103	$94	$91	$95	$97
Rooms Revenue ($000)	$19,878	$21,322	$41,193	$11,332	$11,767	$9,513	$32,612	$5,127	$6,317	$6,177	$18,124

2003 ACTUAL RESULTS

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208	4,208
Available Room Nights	378,720	382,928	761,648	130,448	130,448	126,240	387,136	130,448	126,240	130,448	387,136
Occupancy	56.0%	56%	55%	77%	86%	71%	78%	0%	0%	0%	0%
Occupied Room Nights	212,541	215,407	425,948	100,275	112,146	89,530	302,352	0	0	0	0
Average Daily Rate	$95	$97	$96	$98	$99	$94	$97	$0	$0	$0	$0
Rooms Revenue ($000)	$19,248	$20,797	$39,473	$9,821	$11,137	$8,353	$29,312	$0	$0	$0	$0

BOOKING PATTERNS

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
2002 BOOKINGS	75,941	107,010	182,951	72,460	57,617	51,416	181,328	49,115	24,219	21,380	94,714
% Of Rooms Sold	36%	43%	39%	69%	53%	58%	59%	50%	36%	34%	45%
2003 BOOKINGS	72,554	84,623	157,474	52,809	47,103	18,952	128,864	48,520	18,037	13,259	79,816
% Of Rooms Sold	34%	40%	37%	53%	42%	21%	43%	[illegible]	[illegible]	[illegible]	[illegible]
PACE/PKF LAST ADVICE	4%	21%	12%	13%	10%	40%	20%	1%	20%	10%	10%

2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	0.1%	-10.6%	-5.5%	3.7%	2.3%	2.9%	1.7%	-0.1%	-10.4%	-41.8%	-54.6%
Occupied Room Nights	0.1%	-18.0%	-8.0%	4.0%	2.9%	3.7%	1.5%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	2.9%	4.3%	3.6%	3.1%	3.0%	1.9%	2.7%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	3.1%	-11.8%	-5.9%	7.1%	5.1%	3.3%	4.2%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 PKF OUTLOOK

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-0.5%	-11.2%	-5.0%	-4.2%	-1.5%	-3.5%	-2.0%	-53.1%	-53.9%	-49.4%	-55.2%
Occupied Room Nights	-0.6%	-10.0%	-5.5%	5.1%	1.9%	-4.7%	-2.5%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	1.9%	3.0%	2.5%	4.1%	3.9%	-2.9%	-3.5%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	1.0%	-11.0%	-7.2%	8.9%	7.3%	-7.5%	-5.1%	-100.0%	-100.0%	-100.0%	-100.0%

2003 ACTUAL TO 2003 INDUSTRY BUDGETS

Vancouver - Airport	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter	October	November	December	4th Quarter
Occupancy Points	-1.0%	-11.3%	-5.5%	-4.0%	-1.4%	-3.0%	-2.9%	-54.7%	-54.1%	-49.7%	-56.2%
Occupied Room Nights	3.3%	-10.9%	-10.6%	-6.9%	-1.5%	-4.1%	-3.4%	-100.0%	-100.0%	-100.0%	-100.0%
Average Daily Rate	-2.7%	0.0%	-1.5%	8.8%	7.9%	8.1%	-6.2%	-100.0%	-100.0%	-100.0%	-100.0%
Rooms Revenue ($000)	0.1%	-10.3%	-12.0%	13.3%	9.2%	-11.6%	-11.4%	-100.0%	-100.0%	-100.0%	-100.0%

QUARTER 2 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(29,562)	Total	100%	(29,562)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(29,562)	Total	100%	(29,562)

Q3 CANCELLATIONS	%	ORN	Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	17,935	Total	100%	4,088
% Of 2002 Total	8%	$ 1,793,743	% Of 2002 Total	2%	$ 333,946

	Q3 Potential	Q4 Potential
[illegible]	[illegible]	[illegible]
	$1,793,743	[illegible]

MONTH OF JULY	Variance to PIP Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF AUG	Variance to PIP Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]
MONTH OF SEPT	Variance to PIP Forecast ($000)	[illegible]
	Variance to 2002 Actuals ($000)	[illegible]

QUARTER 3 IMPACTS - 2002/2003 ACTUAL RESULTS

MARKET FACTORS	%	ORN	SEGMENTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(4,664)	Total	100%	(4,664)

GUEST ORIGIN	%	ORN	TRANSPORTATION	%	ORN
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	100%	(4,664)	Total	100%	(4,664)

Q4 CANCELLATIONS	%	ORN
[illegible]	[illegible]	[illegible]
Total	100%	162
% Of 2002 Total	2%	$ 13,284
		Q4 Potential
[illegible]		[illegible]
		$13,284

9.3 OTHER BRITISH COLUMBIA and YUKON MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- The hotel room inventory changed in all of the Other British Columbia markets. Greater Victoria's accommodations market consisted of 5,189 rooms in Quarter 3, 2003 retracted by 65 rooms (-1.2%) since Quarter 3, 2002. Whistler's accommodation market was 5,615 rooms, with the addition of 120 new rooms (2.2%) since Quarter 3, 2002. The balance of British Columbia's accommodations market was made up of 33,724 rooms in Quarter 3, 2003, a net increase of 346 rooms (1%) since Quarter 3, 2002.

- Accommodations inventory in the Yukon (primarily Whitehorse) remained flat at an estimated 1,950 rooms.

Demand and Rate

- In the 3rd Quarter, the Greater Victoria hotel market lost 2 occupancy points and $9 in rate compared to last year.

- Whistler lost 2 occupancy points in Quarter 3 ending up at 53% at a $137 rate – down $9 from Quarter 3, 2002.

- Other British Columbia markets finished Quarter 3, 2003 at 67% occupancy with a $107 rate -- 1 percentage points lower than Quarter 3 of last year with a $2 gain in rate.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
Market	Occ.	ADR	Occ.	ADR	Demand	ADR
Greater Victoria	81%	$151	83%	$160	-4%	-6%
Whistler	53%	$137	55%	$146	-1%	-6%
Other British Columbia	67%	$107	69%	$105	-1%	2%
Yukon	72%	$89	66%	$83	9%	7%

Source: PKF Consulting

- The Yukon hotel market achieved a 72% occupancy and an $89 rate in Quarter 3, up nearly 6 points in occupancy and $6 in rate compared to Quarter 3, 2002.

- Demand for hotel accommodations were down by 16,000 occupied nights Greater Victoria equating to a loss of $6 Million in room revenue.

- Whistler fell behind by 2,400 occupied nights, for a loss of close to $3 Million in room revenue compared to the same quarter last year.

- The balance of British Columbia lost over 24,000 occupied room nights in the 3rd Quarter, equating to an erosion of $630,000 in room revenue.

- Demand for Yukon accommodations rose by 10,500 occupied room nights (6.7%) in Quarter 3, 2003 compared to the year prior, which represents an additional $1.6 Million in room revenues.

9.3 OTHER BRITISH COLUMBIA and YUKON MARKETS

QUARTER 3 2003: RESULTS

Hotel Supply Inventory

- The hotel room inventory changed in all of the Other British Columbia markets. Greater Victoria's accommodations market consisted of 5,189 rooms in Quarter 3, 2003 retracted by 65 rooms (-1.2%) since Quarter 3, 2002. Whistler's accommodation market was 5,615 rooms, with the addition of 120 new rooms (2.2%) since Quarter 3, 2002. The balance of British Columbia's accommodations market was made up of 33,724 rooms in Quarter 3, 2003, a net increase of 346 rooms (1%) since Quarter 3, 2002.

- Accommodations inventory in the Yukon (primarily Whitehorse) remained flat at an estimated 1,950 rooms.

Demand and Rate

- In the 3rd Quarter, the Greater Victoria hotel market lost 2 occupancy points and $9 in rate compared to last year.

- Whistler lost 2 occupancy points in Quarter 3 ending up at 53% at a $137 rate – down $9 from Quarter 3, 2002.

- Other British Columbia markets finished Quarter 3, 2003 at 67% occupancy with a $107 rate -- 1 percentage points lower than Quarter 3 of last year with a $2 gain in rate.

Exhibit 1: Quarter 3 - 2003 vs. 2002 Results

Market	Quarter 3 - 2003		Quarter 3 - 2002		% Change	
	Occ.	ADR	Occ.	ADR	Demand	ADR
Greater Victoria	81%	$151	83%	$160	-4%	-6%
Whistler	53%	$137	55%	$146	-1%	-6%
Other British Columbia	67%	$107	69%	$105	-1%	2%
Yukon	72%	$89	66%	$83	9%	7%

Source: PKF Consulting

- The Yukon hotel market achieved a 72% occupancy and an $89 rate in Quarter 3, up nearly 6 points in occupancy and $6 in rate compared to Quarter 3, 2002.

- Demand for hotel accommodations were down by 16,000 occupied nights Greater Victoria equating to a loss of $6 Million in room revenue.

- Whistler fell behind by 2,400 occupied nights, for a loss of close to $3 Million in room revenue compared to the same quarter last year.

- The balance of British Columbia lost over 24,000 occupied room nights in the 3rd Quarter, equating to an erosion of $630,000 in room revenue.

- Demand for Yukon accommodations rose by 10,500 occupied room nights (6.7%) in Quarter 3, 2003 compared to the year prior, which represents an additional $1.6 Million in room revenues.

GREATER VICTORIA 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Greater Victoria	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,254	5,254	5,254	5,254	5,254	5,254	5,254
Available Room Nights	472,860	478,114	950,974	162,874	162,874	157,620	483,368
Occupancy	56%	75%	66%	84%	90%	75%	83%
Occupied Room Nights	265,390	360,679	626,069	137,303	146,798	118,199	402,300
Average Daily Rate	$84	$125	$108	$163	$169	$146	$160
Rooms Revenue ($000)	$22,288	$45,208	$67,496	$22,438	$24,865	$17,241	$64,543

2003 PKF OUTLOOK AT JANUARY 1, 2003

Greater Victoria	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,189	5,189	5,189	5,189	5,189	5,189	5,189
Available Room Nights	467,010	472,199	939,209	160,859	160,859	155,670	477,388
Occupancy (2% Demand Growth)	58%	78%	68%	87%	93%	77%	86%
Occupied Room Nights	270,698	367,893	638,591	140,049	149,734	120,563	410,346
Average Daily Rate (2% Growth)	$86	$128	$110	$167	$173	$149	$164
Rooms Revenue ($000)	$23,188	$47,035	$70,222	$23,345	$25,869	$17,937	$67,151

2003 ACTUAL RESULTS

Greater Victoria	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,189	5,189	5,189	5,189	5,189	5,189	5,189
Available Room Nights	467,010	472,199	939,209	160,859	160,859	155,670	477,388
Occupancy	57%	73%	65%	80%	88%	75%	81%
Occupied Room Nights	265,272	346,099	611,371	128,526	141,202	116,441	388,170
Average Daily Rate	$83	$119	$104	$153	$157	$143	$151
Rooms Revenue ($000)	$22,115	$41,178	$63,294	$19,621	$22,150	$16,628	$58,399

GREATER VICTORIA 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Greater Victoria	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%
Occupancy Points	0.7%	-2.1%	-0.7%	-4.4%	-2.4%	-0.2%	-2.3%
Occupied Room Nights	0.0%	-4.0%	-2.3%	-6.4%	-3.8%	-1.5%	-4.0%
Average Daily Rate	-0.7%	-5.1%	-4.0%	-6.6%	-7.4%	-2.1%	-5.7%
Rooms Revenue ($000)	-0.8%	-8.9%	-6.2%	-12.6%	-10.9%	-3.6%	-9.5%

2003 ACTUAL TO 2003 PKF OUTLOOK

Greater Victoria	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-1.2%	-4.6%	-2.9%	-7.2%	-5.3%	-2.6%	-5.1%
Occupied Room Nights	-2.0%	-5.9%	-4.3%	-8.2%	-5.7%	-3.4%	-5.9%
Average Daily Rate	-2.7%	-6.3%	-5.9%	-8.4%	-9.2%	-4.0%	-7.6%
Rooms Revenue ($000)	-4.6%	-12.5%	-9.9%	-16.0%	-14.4%	-7.3%	-13.0%
Variance to PKF Forecast ($000)	*-$1,073*	*-$5,858*	*-$6,929*	*-$3,724*	*-$3,719*	*-$1,309*	*-$8,752*
Variance to 2002 Actuals ($000)	*-$172*	*-$4,030*	*-$4,202*	*-$2,817*	*-$2,714*	*-$613*	*-$6,144*

WHISTLER 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Whistler	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,495	5,495	5,495	5,495	5,495	5,495	5,495
Available Room Nights	494,550	500,046	994,595	170,345	170,345	164,850	505,540
Occupancy	79%	47%	63%	58%	62%	44%	55%
Occupied Room Nights	389,299	235,520	624,819	99,533	105,205	71,825	276,563
Average Daily Rate	$281	$165	$237	$148	$147	$142	$146
Rooms Revenue ($000)	$109,408	$38,819	$148,228	$14,766	$15,495	$10,225	$40,485

2003 PKF OUTLOOK AT JANUARY 1, 2003

Whistler	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,615	5,615	5,615	5,615	5,615	5,615	5,615
Available Room Nights	505,350	510,965	1,016,315	174,065	174,065	168,450	516,580
Occupancy (1.5% Demand Growth)	78%	47%	62%	58%	61%	43%	54%
Occupied Room Nights	395,138	239,053	634,191	101,026	106,783	72,903	280,711
Average Daily Rate (1.5% Growth)	$285	$167	$241	$151	$149	$144	$149
Rooms Revenue ($000)	$112,715	$39,993	$152,708	$15,212	$15,963	$10,534	$41,709

2003 ACTUAL RESULTS

Whistler	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	5,615	5,615	5,615	5,615	5,615	5,615	5,615
Available Room Nights	505,350	510,965	1,016,315	174,065	174,065	168,450	516,580
Occupancy	76%	40%	58%	57%	63%	39%	53%
Occupied Room Nights	385,633	204,953	590,585	99,269	110,009	64,887	274,165
Average Daily Rate	$277	$158	$236	$149	$139	$116	$137
Rooms Revenue ($000)	$106,777	$32,430	$139,206	$14,834	$15,255	$7,498	$37,587

WHISTLER 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Whistler	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Occupancy Points	-2.4%	-7.0%	-4.7%	-1.4%	1.4%	-5.1%	-1.6%
Occupied Room Nights	-0.9%	-13.0%	-5.5%	-0.3%	4.6%	-9.7%	-0.9%
Average Daily Rate	-1.5%	-4.0%	-0.6%	0.7%	-5.8%	-18.8%	-6.3%
Rooms Revenue ($000)	-2.4%	-16.5%	-6.1%	0.5%	-1.5%	-26.7%	-7.2%

2003 ACTUAL TO 2003 PKF OUTLOOK

Whistler	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-1.9%	-6.7%	-4.3%	-1.0%	1.9%	-4.8%	-1.3%
Occupied Room Nights	-2.4%	-14.3%	-6.9%	-1.7%	3.0%	-11.0%	-2.3%
Average Daily Rate	-2.9%	-5.4%	-2.1%	-0.8%	-7.2%	-20.0%	-7.7%
Rooms Revenue ($000)	-5.3%	-18.9%	-8.8%	-2.5%	-4.4%	-28.8%	-9.9%
Variance to PKF Forecast ($000)	*-$5,938*	*-$7,563*	*-$13,502*	*-$378*	*-$708*	*-$3,036*	*-$4,122*
Variance to 2002 Actuals ($000)	*-$2,632*	*-$6,390*	*-$9,021*	*$68*	*-$240*	*-$2,727*	*-$2,898*

OTHER B.C. 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

Other British Columbia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	33,250	33,267	33,259	33,303	33,303	33,533	33,378
Available Room Nights	2,992,500	3,027,340	6,019,840	1,032,393	1,032,393	1,005,990	3,070,776
Occupancy	44%	55%	49%	69%	75%	63%	69%
Occupied Room Nights	1,303,034	1,658,193	2,961,227	707,189	772,230	637,798	2,117,217
Average Daily Rate	$74	$87	$81	$108	$111	$96	$105
Rooms Revenue ($000)	$96,943	$144,088	$241,032	$76,376	$85,447	$61,509	$223,333

2003 PKF OUTLOOK AT JANUARY 1, 2003

Other British Columbia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	33,641	33,670	33,655	33,693	33,739	33,739	33,724
Available Room Nights	3,027,670	3,063,928	6,091,598	1,044,483	1,045,909	1,012,170	3,102,562
Occupancy (2% Demand Growth)	44%	55%	50%	69%	75%	64%	70%
Occupied Room Nights	1,329,095	1,691,357	3,020,451	721,333	787,675	650,554	2,159,561
Average Daily Rate (2% Growth)	$76	$89	$83	$110	$113	$98	$108
Rooms Revenue ($000)	$100,860	$149,909	$250,769	$79,462	$88,899	$63,994	$232,356

2003 ACTUAL RESULTS

Other British Columbia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	33,641	33,670	33,655	33,693	33,739	33,739	33,724
Available Room Nights	3,027,670	3,063,928	6,091,598	1,044,483	1,045,909	1,012,170	3,102,562
Occupancy	43%	56%	49%	66%	73%	62%	67%
Occupied Room Nights	1,292,800	1,717,969	3,010,769	693,537	767,697	631,594	2,092,828
Average Daily Rate	$78	$90	$84	$109	$112	$98	$107
Rooms Revenue ($000)	$100,292	$153,984	$254,276	$75,790	$86,228	$61,947	$223,964

OTHER B.C. 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

Other British Columbia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1.2%	1.2%	1.2%	1.2%	1.3%	0.6%	1.0%
Occupancy Points	-0.8%	1.3%	0.2%	-2.1%	-1.4%	-1.0%	-1.5%
Occupied Room Nights	-0.8%	3.6%	1.7%	-1.9%	-0.6%	-1.0%	-1.2%
Average Daily Rate	4.3%	3.1%	3.8%	1.2%	1.5%	1.7%	1.5%
Rooms Revenue ($000)	3.5%	6.9%	5.5%	-0.8%	0.9%	0.7%	0.3%

2003 ACTUAL TO 2003 PKF OUTLOOK

Other British Columbia	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	-1.2%	0.9%	-0.2%	-2.7%	-1.9%	-1.9%	-2.2%
Occupied Room Nights	-2.7%	1.6%	-0.3%	-3.9%	-2.5%	-2.9%	-3.1%
Average Daily Rate	2.2%	1.1%	1.7%	-0.8%	-0.5%	-0.3%	-0.5%
Rooms Revenue ($000)	-0.6%	2.7%	1.4%	-4.6%	-3.0%	-3.2%	-3.6%
Variance to PKF Forecast ($000)	*-$569*	*$4,075*	*$3,507*	*-$3,672*	*-$2,672*	*-$2,047*	*-$8,391*
Variance to 2002 Actuals ($000)	*$3,348*	*$9,896*	*$13,244*	*-$587*	*$781*	*$438*	*$631*

YUKON 2002/2003 OUTLOOKS & RESULTS

2002 ACTUAL RESULTS

TOTAL YUKON	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Available Room Nights	175,500	177,450	352,950	60,450	60,450	58,500	179,400
Occupancy	45%	55%	50%	68%	69%	62%	66%
Occupied Room Nights	78,712	96,761	175,473	40,967	41,698	36,212	118,877
Average Daily Rate	$62	$77	$70	$86	$84	$78	$83
Rooms Revenue ($000)	$4,900	$7,405	$12,305	$3,531	$3,489	$2,821	$9,840

2003 PKF OUTLOOK AT JANUARY 1, 2003

TOTAL YUKON	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Available Room Nights	175,500	177,450	352,950	60,450	60,450	58,500	179,400
Occupancy (2% Demand Growth)	46%	56%	51%	69%	70%	63%	68%
Occupied Room Nights	80,286	98,696	178,982	41,786	42,532	36,936	121,254
Average Daily Rate (3% Growth)	$64	$79	$72	$89	$86	$80	$85
Rooms Revenue ($000)	$5,148	$7,780	$12,928	$3,709	$3,665	$2,963	$10,338

2003 ACTUAL RESULTS

TOTAL YUKON	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Available Room Nights	175,500	177,450	352,950	60,450	60,450	58,500	179,400
Occupancy	46%	55%	51%	74%	72%	70%	72%
Occupied Room Nights	80,551	98,343	178,893	44,679	43,470	41,207	129,356
Average Daily Rate	$71	$81	$76	$90	$89	$86	$89
Rooms Revenue ($000)	$5,684	$7,922	$13,606	$4,039	$3,888	$3,550	$11,478

YUKON 2003 INDUSTRY IMPACTS

2003 ACTUAL TO 2002 ACTUAL

TOTAL YUKON	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupancy Points	1.0%	0.9%	1.0%	6.1%	2.9%	8.5%	5.8%
Occupied Room Nights	2.3%	1.6%	1.9%	9.1%	4.2%	13.8%	8.8%
Average Daily Rate	13.4%	5.3%	8.5%	4.9%	6.9%	10.6%	7.2%
Rooms Revenue ($000)	16.0%	7.0%	10.6%	14.4%	11.4%	25.9%	16.6%

2003 ACTUAL TO 2003 PKF OUTLOOK

TOTAL YUKON	1st Quarter	2nd Quarter	1st Half	July	August	September	3rd Quarter
Occupancy Points	0.2%	-0.2%	0.0%	4.8%	1.6%	7.3%	4.5%
Occupied Room Nights	0.3%	-0.4%	0.0%	6.9%	2.2%	11.6%	6.7%
Average Daily Rate	10.1%	2.2%	5.3%	1.9%	3.8%	7.4%	4.1%
Rooms Revenue ($000)	10.4%	1.8%	5.3%	8.9%	6.1%	19.8%	11.0%
Variance to PKF Forecast ($000)	*$537*	*$142*	*$679*	*$330*	*$223*	*$587*	*$1,140*
Variance to 2002 Actuals ($000)	*$785*	*$517*	*$1,301*	*$509*	*$399*	*$730*	*$1,638*